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AN INTERPRETATION
OF
RECENT AMERICAN HISTORY

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BY
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TO

FRANK HEYWOOD HODDER

PREFACE

This interpretative study of later American history was undertaken at the suggestion of Professor F. H. Hodder, of the University of Kansas, for the history teachers' section of the annual meeting of the Mississippi Valley Historical Association held at Oklahoma City, March, 1923. The necessities of the situation required a very limited summary at that time, but the whole study was printed in January, 1924, under the title of "The United States, 1865-1917: An Interpretation." (Bulletin of the University of Kansas, Volume XXV, No. 2, Lawrence. 64 pp.) In the present edition some changes and expansions have been made in the light of experience in dealing with classes. This book is not meant to be studied as a history text, but rather to be read as an interpretative companion volume along with any standard textbook for the period. For that reason it has not been considered necessary to apportion the space devoted to each subject according to the importance of the material. The more familiar subject-matter is treated very briefly, while some of the less familiar, which is omitted in most or all of the textbooks, is treated at length, supplying a brief summary of facts to serve as a basis for the interpretation. It may be that some will disagree with certain

of the ideas presented in this book, but it should be remembered that greater understanding often results from disagreement than from agreement, if the disagreement is accompanied by an intelligent and careful re-examination of the subject to make sure of the validity of the conclusions. The mere memorizing of a mass of historical facts is of little avail unless it is accompanied by understanding.

JAMES C. MALIN.

Lawrence, Kansas.

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INTRODUCTION

The events of the past few years have given a new importance to the more recent history of the United States, and have raised problems of interpretation which have challenged the historian to a re-examination of the whole of American history in order to readjust viewpoints in the light of the change in emphasis. In their larger aspects these problems may be grouped under two heads: the interpretation of the meaning of American history itself, and the placing of that history in its proper setting in relation to world civilization.[1]

There are six primary factors which historians have come to recognize as outstandingly significant in modern civilization: industrialism, individualism, democracy, nationalism, imperialism, and internationalism. The first four are looked upon as having contributed the determining characteristics of the modern national state. The last two are held to be the result of the national state acting outside its own boundaries, the relations between states, which in more recent times have become vital issues of world civilization. These

[1] Farrand, Max. *The Development of the United States.* Boston, Houghton, Mifflin, 1918. This is the best single interpretation of internal development of the United States. The chapter on the United States as a World Power is not equal to the others.

factors are common to all national states, and American history, to achieve its fullest significance, must be interpreted in this larger, broader world background.

The early group of historians, such as Sparks, Irving, Hildreth, and Bancroft, found the key to American history in the American Revolution and the founding of the Republic. The later group, von Holst, Schouler, Rhodes, Burgess, and Dunning, found the key in the slavery struggle, the Civil War and Reconstruction; the struggle for freedom from chattel slavery. The group of historians of the period of the World War and after are finding the key in the problems arising out of industrialism, individualism, democracy, and nationalism and their relation to the world order. It is not so much that the earlier historians were wrong and the later historians right, as that the conditions of their respective generations impressed upon them different estimates of historical values.

It is not the province of the historian to express opinions on the results which he presents as matters of approval or disapproval, of right or wrong, of morality or immorality, of progress or degradation. Such matters are personal opinions and as such are not subject to scientific proof or disproof. To the citizen or to the philosopher they may be of great moment, but to the historian history is a record of change and nothing more. It is his task to trace and interpret each important line of development, and to indicate those elements in the record which are new, and where the

record is sufficiently clear, to determine the nature and tendency or direction of change. Historical values are relative, and the choice of subjects for presentation, based as it is on judgments as to relative values, is a problem in selection from an almost unlimited range of materials. Each generation, orienting itself in a world of change, arrives at its own estimates, and is therefore under the necessity of rewriting history in terms of its own understanding of these relative values. No historical work can be final. The related social sciences are also subject to similar limitations of relativity.

There seems to be an essential unity in dividing the half century between the Civil War and the World War into two nearly equal parts by the approximate date 1887. In the earlier half the principal theme is the consolidation of the factors contributing to nationality; the making of the nationalized federal state. In the later half the principal theme is the analysis of the factors which placed the United States in a position of world leadership by 1917; the making of Greater America.

PART ONE

THE MAKING OF THE NATIONALIZED FEDERAL STATE, 1865-1887

AN INTERPRETATION OF RECENT AMERICAN HISTORY

1. NATIONAL GEOGRAPHIC UNIFICATION

When the Civil War closed, in 1865, the United States was not a national unit either from the standpoint of geography or from that of economic or political organization. It was composed of three distinct sections: the North, the South and the West. The South had been a part of the union and the re-union had to be accomplished. The West had belonged to the union but had never been an integral part of it; thus for the first time it was to become a part of the nation. It simplifies the organization and presentation of materials to recognize this situation and present first the sectional aspects of the problem before entering upon the discussion of the national. The North, victorious in the war, was in a position to play a leading rôle in the process of welding of these three sections into as homogeneous a nation as possible. In the restoration of the South, therefore, the process of reconstruction was carried out by the North and on its terms. It is this phase of the problem of reconstruction which has suggested to most historians the date

1877 as marking the "close of an era in American history." However, the reconstruction as imposed on the South by the North did not meet the necessities of the situation any more than it met the approval of the Southern people, and therefore was undone to a considerable extent. The process of re-reconstruction was carried out by the white population of the South themselves. It began in the seventies and was carried out during the eighties and nineties. The date 1877 has no particular meaning here. The consideration of the South is not complete without tracing the economic recovery of that region. Devastated areas were restored and production of staple agricultural articles brought back to the normal of 1860. Cotton production reached this normal in 1880, and rice and sugar during the nineties. This economic recovery of the South, then, can be fixed approximately as the decade of the eighties. But there were two respects in which that section had developed much beyond the normal of 1860, *viz.*, in the adjustment of the labor problem from a slave to a free labor basis and in the industrial impetus which had been given by the opening up of natural resources and development of manufacturing on a scale not known before. The South was now ready to take its place in the main stream of national life with interests more nearly in common and with the minimum of peculiar sectional differences.

The North, however, had taken advantage of the opportunity presented by the crisis over the protection

of the rights of the negro, and using that as an excuse, amended the constitution. The full import of the change effected by the fourteenth amendment is revealed by recasting the language to declare the freedmen citizens and to provide for their protection as such on an equality with the white population. In this specific form it would have accomplished the objects supposedly in view. But the amendment as adopted was general in scope, including a complete definition of citizenship, transfering large powers from the state to the federal government, placing general prohibitions upon the states and broadening the application to include not only citizens but all *persons,* apparently in the fullest legal sense of that term. When given this interpretation by the courts the word *person* came to include corporations. Thus the victory of the war was written permanently into the fundamental structure of the national state.

The union of the East and the Trans-Mississippi West is fully as important and significant to the history of the new America as the restoration of the South and justifies as full a treatment. When the war was over there was only a comparatively narrow fringe of developed country on either edge of the Trans-Mississippi region. The Indians still inhabited the country, which was dotted here and there with settlements growing up in the mining districts in the heart of the Rockies, and which was crossed by the transcontinental wagon trails. The Pacific Coast had been the least affected by the war of any part of American

territory. The problem of first importance in bringing the West into the main stream of national life was to provide transportation by means of the great transcontinental railroads, four of which were completed by the early eighties. The next problem was to dispose of the Indian, and the principles which have formed the basis of the solution were laid down in the Dawes Act of 1887. And finally the settlement of the West by the miner, the rancher, and the farmer prepared the way for the political organization into states in the Union, marking the passing of the frontier. The West had become, by admission of the group of north mountain states in 1889 and 1890, an integral part of the nation.[1] Furthermore, railroad land grants, Indian problems, homesteads and timber claims accustomed the people to a direct contact with the national government which was not present in the East.

2. NATIONALIZATION OF ECONOMIC ORGANIZATION

These sectional aspects constitute only a part of a larger whole which goes to make up the history of the quarter century immediately following the war. The national aspects overshadow and dominate the sectional. The new industrialism is so conspicuous a feature as to necessitate a careful examination and correlation with political history. The tremendous acceleration which economic life underwent had been

[1] Except Oklahoma, Arizona, New Mexico and Utah.

variously designated by the terms "economic revolution," "industrial revolution," and "secondary industrial revolution." The difficulty with the term "economic revolution" is that it means nothing in particular. The term "industrial revolution" is similar except that it has been dignified by long usage and association with certain fairly well defined ideas. The term "secondary industrial revolution" as applied to the period after the Civil War is probably the least objectionable, because it does not imply a distinct break in continuity with the previous phases of the so-called industrial revolution. In the last analysis, however, it is industrial evolution, not revolution.

The student of recent history often suffers a loss of perspective, resulting in overemphasis or distortion of later periods in relation to more remote antecedents. The great emphasis placed on economic factors presents particular danger and difficulty. Just what is meant by the "industrial revolution" in the United States, as that term is usually applied? If the term means the *invention* and *introduction* of new power plants, especially steam, and their application to machines, then the industrial revolution began during the last quarter of the eighteenth century. The embargo and the war of 1812 only accelerated a process already well begun. If the industrial revolution means merely the application of *power* to machines on a large scale, irrespective of whether that power is steam or water, then the industrial revolution took place during the first third of the nineteenth century. But

if the industrial revolution is confined to the application of *steam* on a large scale, that development belongs to the second third or middle period of the nineteenth century. In this connection the unusual importance of the years between 1840 and 1860, because of the general application of steam to transportation as well as to manufacturing, must not be overlooked.[1] The railroad not only widened the markets and thus made possible increased production in individual plants, but, by hastening the process of breaking down the barrier of localism, contributed to the growth of economic, social, and political factors in the direction of nationalism.

Pre-Civil War industry appears small in comparison with post-Civil War industry when judged merely by statistics of the volume of production, but such comparison is misleading. A more accurate index would be the ratio of growth; as for instance the increase in urban wealth for the decade of the fifties was one hundred and fifty-eight per cent, while in only one decade since has it been as much as one hundred per cent, and that was the decade of the seventies in which it was one hundred and seven per cent. However, it is much more to the point to interpret the different stages of industrial evolution in proper perspective in relation to their respective periods. The historian has

[1] Clark, Victor S., "History of Manufactures in the United States," 1607-1860. Washington, Carnegie Institution, 1918. Also, Clark, Victor S., "The Influence of Manufactures upon Political Sentiment in the United States from 1820 to 1860." American Historical Review (October, 1916), XXII, 58-64.

been too much interested in the slavery struggle to understand adequately and interpret clearly this problem in connection with ante-bellum American history. The same can be said of the economic and political importance of the frontier in the drama of sectional and metropolitan rivalries. When the history of the twenty years immediately preceding the Civil War is adequately rewritten, it will be clear that the foundations of the new industrialism were firmly laid and well developed in the ante-bellum period, and that an accurate perspective of the secondary industrial revolution and its consequences will depend upon an intensive study of the years immediately preceding the war.

As a matter of convenience it is desirable to consider the secondary industrial revolution in three phases: in manufacture, in transportation, and in agriculture. In English history they come in the order named, but in American history the application of steam to transportation in any considerable degree precedes or at least is contemporaneous with its application to manufactures. There was such a multitude of new inventions and processes that only a few can be indicated. The so-called Bessemer process and the later Siemens open hearth process of steel making revolutionized not only the steel industry but all industries that could utilize steel. The application of electricity to lighting, heating, and power machines and the perfecting of the internal combustion engine have wrought an equally important change. The use of refrigeration

in storage and transportation plants has caused a reorganization of the whole machinery and methods of marketing perishable products and thus changed the nature of the marketing problem. Of almost equal importance is the use of tin cans in preserving meats, vegetables and fruits. These methods of handling foods revolutionized the living conditions of the people by making available a great variety of food products in their natural state throughout the year or in a more wholesome preserved form than had ever before been possible.

The industrial revolution in agriculture was a longer time in development. In the last quarter of the eighteenth century scientific principles were being applied to plow construction. This is just one more of the contributions of the many-sided Jefferson. During the middle period of the nineteenth century the plow evolved through various stages into the modern steel gang plow and there it stopped for a time because of the inadequacy of horsepower to operate larger and more complicated machines successfully and practically. The harvester, beginning in the thirties, evolved into the modern binder and header and there stopped also because of the inadequacy of horsepower.

The benefits of the industrial revolution have accrued primarily to urban rather than to rural districts. The application of steam power directly to agricultural processes has never been successful except to a very limited extent. It does not seem altogether

a coincidence that urban wealth increased in direct proportion to the application of steam power to its industry. Rural wealth fell far behind. In 1850 the ratio of urban to rural wealth was one to one, while in 1890 it was three to one.[1] It is this disparity in relative economic progress and efficiency between rural and urban economy that has been a fundamental fact underlying most of the agrarian discontent of the period. Urban economy, because of its preponderance of wealth, power, and efficiency, has molded business institutions, methods, marketing facilities, etc., to its own particular functions, whether they served the more backward rural economy effectively or not. Friction between the two systems of economy was naturally produced at the points of contact, namely, transportation, marketing agencies including both sale of farm products and purchase of supplies, banking and credit agencies including both long and short time credits, and the medium of exchange. Economic conditions predestined the farmer to play a conspicuous part in the political movements arising out of these economic problems.

The advent of electric power appliances in the last quarter of the nineteenth century likewise benefited urban economy to a markedly greater degree than rural. It was not until the invention and practical application of the internal combustion engine that

[1] For a fuller discussion of the subject along somewhat similar lines see Emerick, C. F., "An Analysis of Agrarian Discontent." Political Science Quarterly, XI, 433-63, 601-39, and XII, 93-127.

an artificial power became available which could be adapted to the requirements of agricultural processes. The stationary and portable gas engine, the automobile, the truck and the tractor are rapidly supplying this need. The disparity between rural and urban economic systems is being rapidly decreased. The gas engine, combined with electricity, is doing for rural economy in the twentieth century what steam did for urban economy in the nineteenth. Possibilities of adjustment of agricultural grievances lie therefore in two directions: first, industrialization of the farm by power machinery and scientific agriculture, and, second, reforms to reduce friction at the points of contact between the two systems of economy. In a sense this means the urbanization of the country.

These new features of American economic evolution have emphasized more strongly than ever the significance of metropolitan centers and have linked the rural and urban economic systems more closely together. The mere fact of increased volume of production and rapidity, cheapness, and efficiency of transportation and communication have greatly extended the boundaries of metropolitan economic areas. With this extension of area the competition of rival systems of metropolitan economy has entered a new phase. There are many historical problems which cannot be adequately analyzed and interpreted except in terms of metropolitan economy as an important contributing factor. This does not imply that this factor is limited in its operation to the period

since the Civil War, but merely that it is a factor of larger significance in this period.[1]

The tendency toward integration of industry has usually been pointed out as one of the distinguishing features of industrial evolution since 1865. However, considerable care should be exercised on this point. A careful examination of industrial organization previous to the Civil War indicates that this tendency was already quite distinctly apparent. Here again it is not out of place to emphasize that the slavery agitation and the war have obscured important facts. In railroad organization the combination of shorter lines into interstate systems was well under way. Likewise in the field of industrial combination the pool was of pre-Civil War origin. The significant fact about the immediate postwar period is the extent to which integration developed. The difference is more one of quantity and size than one of quality and kind. The scope of the business interests of the leading railroad and industrial corporations was no longer local, or sectional, but national and to a certain degree international. This consolidation of business interests on a distinctly national scale became a conspicuous fact during the eighties, and was a primary cause of the crystallization of various types of antagonistic movements.

The financial problems presented by both govern-

[1] Gras, N. S. B., "The Development of Metropolitan Economy in Europe and America." American Historical Review (July, 1922), XXVII, 695-708. Also, Gras, N. S. B., "An Introduction to Economic History." New York, Harpers, 1922.

ment and industry during and after the war evoked the national banking system created by the acts of 1863 and 1864. The banks were authorized to issue bank notes, and in 1865 a tax was placed upon the note issues of state banks to drive them out of circulation. John Sherman, in commenting on the national bank act, says: "The similarity of notes all over the United States would give them wider circulation. I insisted that the passage of the bill would promote a sentiment of nationality." The state banks had presented great diversity in business practices and degrees of safety, but the new system gave uniformity to both. While this system, with strict and conservative banking methods facilitated and made safe the transaction of business between distant parts of the country as the wider scope of industrial and commercial interests demanded, the state banks and local business, accustomed to less exacting requirements of policy, often became quite hostile and in consequence national banks and bank notes became a center of contention.

The structure of the social group reflects somewhat the rapid changes taking place in American life. The total population increased from about 31,433,321 in 1860 or 38,558,370 in 1870 to 62,622,250 in 1890. It doubled in thirty years or to put it in another way the increase was about 25 per cent per decade. There were two conspicuous population movements during the period: from east to west, and from rural to urban centers. Of these movements the former was the more notable because of the settlement of the West. The

movement to the urban centers became more important toward the end of the period, for as the opportunity of the passing frontier diminished the attraction of the city increased.

Immigration reached its high point in 1882 with a total of 789,000 for that year. But this time the influx of relatively larger proportions of the peoples of south and east Europe was an increasingly important factor. Several aspects of this new factor in immigration had important reactions: the employers' desire for cheap labor, the tendency to settle in the cities, and ignorance of republican institutions, while a much neglected aspect was the contribution which might come from the widely differing cultural heritages of such diverse types of peoples.

The division of the social group into classes for historical consideration always contains an element of inaccuracy, especially in a social group where there is no legal recognition of class distinctions. In the United States people had passed easily from one occupation to another and from one social level to another, but such changes were becoming more difficult. The notable fact was the extent to which economic evolution was modifying the structure of the social organism, and regardless of theoretical equality, class-consciousness became more and more a practical fact.

The business man of the period was most frequently a relatively self-made man who had achieved material success through individual initiative and ability. It was an age of individualism and competition, and the

method was too often judged only on the basis of immediate results. As an employing class business men began to organize into employers associations or other organizations as a means of maintaining their interests. Chambers of Commerce furnished effective means of organizing opinion and activities. In the social world, without a cultural background or social experience, their attempts to secure recognition frequently became merely a vulgar display of wealth. There were men of a better type but they were not sufficient to give distinction to the class.

Business morality is shown in the manipulation of the stock and money markets, the exploitation of railroads and industry as well as in unfair trade practices generally. As the business man could secure great benefits from government favors and legislation, the prevailing business methods were often carried into public affairs. Politicians were frequently controlled by business interests or were not particularly careful in differentiating between public and private interests. Not all business men or public men were of this type, possibly not even a majority, but a conspicuous minority who wielded great economic and political power set standards which their competitors had to meet. The rapid industrial evolution outstripped the growth of moral standards by creating problems not previously covered by existing ethical sanctions. The keener moral perceptions of the country were dulled, and the crusading enthusiasm spent in the emotional orgy of the Civil War and the earlier phases of reconstruction.

The disappearance of the slave left moral perceptions without a point of focus. The country seemed to sink into a condition of sordid mediocrity. The list of business and political scandals is depressing. The historian who revives them receives criticism from various quarters; but justification clearly lies in the fact that it was the exposure of just these scandals which was one of the most potent factors in again bringing the public conscience to a focus on a concrete program of reform. Wendell Phillips would have transferred attention from chattel slavery to wage slavery, but gained scant hearing.[1] The system was too profitable. The labor movement had to shift pretty much for itself. It is a historic commonplace that a higher value is usually placed upon property and its protection than upon the conservation of human life. The slavery question is no exception, as the north did not become anti-slavery until after it no longer had any substantial property interest in slaves.

The evolution of a distinct agrarian class-consciousness resulted from agrarian depression—a depression due partly to over-expansion and frontier conditions, but more fundamentally to the disparity in relative progress of the rural and urban economic systems, which frontier conditions exaggerated. The uncovering of business and political scandals only served to heighten the distrust and the sense of injury. The Patrons of Husbandry was the organization of rural

[1] Lloyd, Caro. Henry D. Lloyd. 2 Volumes. New York, Putnam, 1912. I, 121.

forces that sought to analyze their ills and devise remedies. They were a propertied class, and therein lies a world of difference between their problems and viewpoint and those of the propertyless wage workers of the city, although in a sense big business was their common friend and enemy. Their energies were directed primarily to remedies for friction at the points of contact with urban industry: *viz.*, transportation, markets, banking and credits, and the medium of exchange; but they did not ignore the defects of rural economy.

The labor population received important additions to its numbers from various sources: the movement from the country to city, increase in emigrant labor, and the larger employment of women and children which was made possible by machines. These factors complicated the labor situation and stimulated labor organization. The pre-Civil War labor movement was checked by the panic of 1857 and the war, but industrial conditions and abuses crystallized the labor element into a distinct class-consciousness, which is in a very real sense the complement of industrial integration and machine processes. Experiments in labor organization produced the Knights of Labor and the trade unions on a national scale. The inadequacy of the form of organization became apparent in the inability to adjust relationships of these two types of organization, and then in 1886 the great strikes further discredited the Knights of Labor, making way for the development of the Federation of Labor on the basis

of the trade unions. This practically closed a chapter in labor history. It was well worth the effort, because it gave a wealth of experience and gained some recognition of the labor viewpoint.

New opportunities in the more complicated régime created new professions. To the church, the law, and medicine there were numerous additions. The systematic application of science to industry required technical training. Agriculture was benefiting by applications of new scientific knowledge. In the iron industry Carnegie claimed to have been the first to use a chemist regularly as a part of the operating force of the furnaces smelting iron ore. Electricity was creating a wholly new field for the electrical engineer. Popular education required more and better trained teachers. These are examples of the new professions. They did not come into existence suddenly. They had been evolving through a considerable period of time, but here were receiving a measure of definite recognition.

Educational methods and institutions slowly but surely reflected these movements, in adjustments in the older fields as well as in branching out into new lines of activity. In elementary education the public school was predominant, and a distinctive feature was the extension of standardized grades. Secondary education was still largely in the hands of academies and seminaries, but the free public high school was replacing the private school and extending the system. Higher education was largely in the hands of denomi-

national colleges and endowed universities, but here again the field was being invaded by free public institutions in the establishment of state universities. Both the high school and the university broke with the prevailing traditions in being made co-educational. Women were further recognized in education in the establishment of women's colleges as Vassar in 1865, and earlier (1850) the Women's Medical College of Pennsylvania for professional education. The demand for training in the new professions to meet the demands of the new economic system developed the professional and scientific schools. President Wayland, in 1850, told the authorities of Brown University a few blunt facts about the inadequacies of higher education by pointing out that "we have not a single institution designed to furnish the agriculturist, the manufacturer, the mechanic, or the merchant with the education that will prepare him for the new profession to which his life will be devoted." The beginnings of these new educational institutions came during this period in the agricultural and mechanical college and in the technical, scientific and normal schools. Not only did the new conditions place emphasis upon systematic research and the application of the physical and natural sciences, but they developed scientific research in history, and the social sciences, economics, political science, sociology and psychology. Under the influence of German universities organized research was begun at Harvard, Yale, Johns Hopkins, the University of Michigan, Columbia and others, and

in 1884 the American Historical Association was established.

Religion also had to face a challenge from the new science as well as from the stress of economic and social problems, but it responded very slowly to these liberalizing influences. Problems of doctrine and theology had played a larger part in church life than in later times. The anti-slavery movement in the North and to some extent the temperance movement had been advocated, but with the Civil War and reconstruction of slavery crusade was ended. Before the end of the period the church was giving a more definite recognition to the economic and social problems of the industrial system and much recognition was reacting to bring about more direct contacts between the church and the social group. The Methodist Church, for example, granted lay representation in the General Conference in 1872, which overthrew the complete domination of the church by the clergy. Two years later the Chautauqua movement was begun by Bishop Vincent. The first hospital was opened in 1887. The Epworth League was organized and recognized by the church by 1889 as a means of retaining a stronger hold on the younger generation.

The newspaper changed its character as completely as other institutions. It had been primarily an organ for the dissemination of the opinions of the editor or of a political party. The personal element became of less importance as the newspaper became more and more an economic enterprise and journalism a profes-

sion. As a business corporation, the first duty of a paper was to make dividends and its policy was consequently shaped to that end. The appeal to the public for the purpose of increasing circulation came through the emphasis on *news*. The demand for news in turn developed organizations for its systematic collection and dissemination by press associations. The periodical press also found a larger public for the discussion of literature and problems of current interest, so that by the end of the period there were five instead of three standard magazines.

3. NATIONALIZATION OF GOVERNMENT

The discussion of industrial, class, social, and cultural factors is essential as a background for the consideration of the concrete problems of the period. Industrial and class interests result in the conscious or unconscious formulation by those interests of theories of government; or, at least, of peculiar points of view or mental attitudes toward current problems. The years following the war were too chaotic and the future too uncertain for men to formulate systematic and consistent theories as guides to action. Furthermore, systematic theorizing in matters of government does not seem to be a conspicuous characteristic of American psychology. Problems are met as they arise and adjusted largely on the basis of expediency. Nevertheless, the prevailing attitudes of different groups, generally speaking, are predetermined primarily by

economic interests in the broadest sense of that term, that is, the will to live. To the historian who looks back over the period there are clearly discernible certain tendencies, which fall quite naturally into "patterns" conforming in outline to well recognized theories of government. These are usually classified as conservative, liberal, and socialistic.[1] They are nothing more nor less than differing interpretations or definitions of democracy as they take form out of the interests, prejudices, and ideals of their advocates.

The conservative theory continued the earlier conceptions of *laissez faire* and individualism. It emphasized the security of private property, freedom of the individual, and the minimum of governmental interference or control of both, and found the backbone of its following in the commercial, industrial, and like-minded groups. They exploited the race questions and reconstruction problems as a means of securing their ends and assuring their continued control of the national government. These groups, from the time of the making of the constitution, had looked to the federal government for protection and fostering of their interests. They took advantage of every opportunity to extend its authority, and were therefore consistently a party to the nationalization of the federal government. The peculiar phraseology of the fourteenth amendment and its later interpretation are most conspicuous instances of this fact.

[1] Merriam, Charles Edward. American Political Ideas, 1865-1917. New York, Macmillan, 1920.

The socialistic theory, which represents the opposite extreme, is expressed in some form of group ownership of property, the group as paramount to the individual, and government as the agency for the exercise of the group will. It had a very small following, and, as they were of the most part of uncertain standing, they exercised little direct influence in this period.

The liberal or progressive theory, a compromise, is based upon a conception of private property but subject to supervision, freedom of the individual but with limitations imposed in the interests of society, and a strong government as the agency for exercise of these functions. It is a conception which finds the justification for the machinery of government in its adaptability and use for social ends.

It might be of service in clarifying the application of definitions to specific problems to make a further distinction between the reformer and the liberal. The reformer may be defined as one who stands for cleaner politics and more efficient government administered by the best class of men, but without changes in machinery or methods. He is a conservative. The numerous New York reform movements are an illuminating commentary on the work of the reformer, whether associated with a Tilden, a Cleveland, or a Roosevelt. The liberal is one who holds essentially the same ideals but associates with them a constructive program of reform of old machinery and methods or creation of new ones to insure a greater and more

certain control by and responsibility to the people as a whole.

Needless to say there is a close connection between these theories of government and the changes which took place in the judicial theories of the law of the Constitution, but it is difficult to give a simple and general, yet accurate, statement of those changes as applied to specific instances. Various clauses of the Constitution came up for re-interpretation in the light of the new economic and social conditions and modified theories of government. The new war amendments came up for interpretation for the first time and revealed two conflicting viewpoints on the problem, strict construction versus loose construction, a problem similar in character to that which confronted the courts after the adoption of the Constitution. The amendments delegated to the federal government the power to determine when the amendments were violated and to enforce their provisions against the action of the state when necessary. The clauses which are of greatest importance for present consideration are that part of the fourteenth amendment which declares that no state shall "deprive any person of life, liberty, or property, without due process of law," and the interstate commerce clause of the Constitution. The decision of the Supreme Court of the United States in the Slaughter House cases (1872) upheld the state in the regulation of the slaughter of cattle, by the grant of a monopoly in the city of New Orleans, as an exercise of police power. In the case of Munn *v.* Illinois (1876)

it upheld the state in the regulation of the rate charged by a warehouse on the ground that as a public calling it must submit to public regulation to the extent of the public interest created. In the case of Peik *v.* Chicago and Northwestern Railroad (1876) it upheld the state in regulation of rates charged by a railroad and in regulating commerce, intrastate and interstate, within its borders until the federal government occupied the field of interstate commerce regulation. In both of these cases it denied the right of federal judicial review of reasonableness of rates. In the case of San Mateo County *v.* Southern Pacific Railroad (1882) it refused to accept the contention that a corporation is a person within the meaning of the fourteenth amendment, although in the case of Santa Clara County *v.* Southern Pacific Railroad (1886) it did accept that interpretation. In the Wabash case (1886) it held that the control over interstate commerce by the federal government is exclusive, reversing that portion of the Peik decision. In the Minnesota Rate cases (1890) it upheld the contention that the federal court can review the action of a state in regulating rates charged on a railroad, reversing the opinions expressed in the Munn and Peik cases on that point.

The changes in economic theory on which these decisions rest are most instructive. *Value* as used in the Slaughter House, Munn, and Peik cases meant *use-value,* while in the Minnesota Rate cases and later ones it was broadened to mean not only use-value but

also *exchange-value*. *Liberty* when used in connection with use-value meant only personal liberty, but when used in connection with exchange-value as in the Allgeyer case (1897) the court held unanimously that liberty means "not only the right of the citizen to be free from physical restraints of his person . . . but the term is deemed to embrace the right of a citizen to be free in the employment of all his faculties . . ." which include the right to work where he will, choose his calling or trade, make contracts, and acquire, hold or sell property. *Property* when defined on the basis of use-value meant tangible property, but when defined on the basis of exchange-value, as in the Minnesota Rate and later cases, it included both tangible and intangible property, anything with exchange value; thus in 1911 (Gleason *v.* Thaw) a lower court held that labor is property. This had been Justice Swayne's contention in his minority opinion in the Slaughter House cases in 1872. The ruling that a corporation is a person within the meaning of the fourteenth amendment gave to fictitious persons the benefits of protection which were being extended to natural persons by the changes taking place in legal interpretations. Public control over property to the extent of the public interest created in it was a principle established in the Munn case and developed further in later cases.[1]

In the earlier phase of the interpretation of the war

[1] Commons, John R. Legal Foundations of Capitalism. New York, Macmillan, 1924. Chapter 2.

amendments the court held to strict construction views which denied to the federal government the right to interfere in the activities of the state as in the Slaughter House and Munn cases. Likewise in the Peik case the states were recognized as having power to regulate interstate commerce within their boundaries until the federal government occupied the field, federal judicial review of reasonableness of rates was denied, and in the San Mateo case the refusal of the court to recognize the corporation as a person under the fourteenth amendment left the state authority intact. But beginning with 1886 a change in viewpoint appears which later was broadened to cover all the points discussed above. The Santa Clara County case recognized the corporation as a person under the fourteenth amendment, the Wabash case held that federal control over interstate commerce is exclusive, the Minnesota rate case on the basis of the change in the definition of value as exchange-value as well as use-value recognized the right of federal judicial review of the reasonableness of a rate in a case involving the state's regulation of rates. Each of these cases, beginning with 1886, is a turning point in its respective field, restricting state or enlarging federal powers, centralizing control in the federal government, *e.g.*, nationalization.

Both the conservative and liberal theories of government tended in the long run toward nationalization of the federal government: the conservatives through appeals to the federal government to protect liberty

and property as in the cases considered above, and the liberals through appeals to the state and later the federal government to protect the public from undue exercise of economic power as is illustrated more clearly later in consideration of legislation reflecting liberal tendencies. The government was controlled by the conservatives, but their position was strongly challenged by the liberals. The advocates of the newer ideas were to be found in large measure among the classes who were themselves in less favorable economic circumstances: farmers, laborers, portions of the urban middle classes, as well as a few intellectual leaders. The politico-economic theory grew largely out of the fact that they came to look to the government to better their economic condition. This indicates one of the fundamental defects of liberalism. Frequently such individuals or groups were essentially conservative in their attitude of mind, but their grievances led them to adopt liberalism to the extent of securing what they considered a remedy for their own grievances, and regardless of the inconsistency or contradiction in principles which such a course imposed, an inconsistency of which they were probably, if not usually, wholly unaware. Furthermore, liberalism was in itself logically inconsistent, inasmuch as it attempted to combine the principle of private ownership and control of property with government control of the same property. This situation made impossible a definite agreement among liberals which would tend to establish a standard of liberal orthodoxy, and empha-

sized the dynamic aspect of liberal theory as its scope broadened in later years. These liberal groups turned first to the state governments. This illustrates two ideas: first, the persistence of the theory of delegated powers, and, second, the fact that the capture of the state governments was an easier and more practical accomplishment than the capture of the national government. But gradually it became evident that the states were not equal to the task imposed. Then the adverse decision of the Supreme Court in the Wabash case (1886) stripped the states of most of the powers they had been exercising in their control over commerce. The logical result was the appeal to the federal government, for protection. Thus the federal government, which had been protecting business interests, was forced to assert also the theory of control over those interests for the benefit of the nation.

In the field of interstate commerce, national control was a matter of steady growth through the quarter century. The railroad act of 1866 facilitated interstate business over the railroads. An act of 1873 regulated interstate shipments of cattle. And the Interstate Commerce Act of 1887 asserted the theory of general national control by the federal government of interstate commerce over railroads. This put a new meaning into the familiar words, "The Congress shall have Power. . . . To regulate Commerce with foreign Nations, and among the several States. . . ." Furthermore, the authority to administer the act was delegated by Congress to a commission of its own creation.

The main problem in 1787 was to prevent *states* from discriminating against citizens and trade of other states. The problem in 1887 was to prevent persons (including corporations) from resorting to unfair trade practices and discrimination contrary to public interest. Transportation has been one of the most important single problems of American history because of the task of subduing so great a continental area as the United States. The railroad was probably the most vital single element in holding together the political, economic, and social structure as it has existed since the middle of the nineteenth century. To the political functions of the federal government were now added an essential economic function in the railroad act of 1887. To a limited degree economic functions had been exercised before, but never before had they been asserted on the basis of the broad principle here applied to the greatest single American industry. The effectiveness of the act is of lesser significance at this point. The fact of paramount importance in connection with the passage of the act is the assertion of the new principle of economic control. The question had been will the federal government control. That question was now answered in the affirmative. The question of the future was how far would federal control be extended. The implications of the change, aside from the railroad business, were momentous, because it opened the way for a broader interpretation of the interstate commerce clause and for its application to other economic activities as well as to problems of social regulation. In the

succeeding years the economic and social policies of the federal government crystallized rapidly. In view of these facts too great an emphasis can hardly be placed upon the revolutionary character of the Interstate Commerce Act. In like manner national control over industrial corporations doing interstate business followed in the Sherman Anti-Trust Act of 1890. This was part of the price the conservatives paid for the McKinley tariff.

In addition to the direct question of economic control, there was the problem of social control. In some cases connection was close, as in pure food legislation, which was another type of regulation based on the commerce clause. Its origins and motives are mixed, economic and social, but the results were the same. European food and drug legislation antedated American and in a measure forced federal action in order to protect commerce against discriminating regulation in foreign markets, while among the states the British legislation in particular served as a model for the drafting of local laws. Inspection of imports of drugs and tea was provided in acts of 1848 and 1883 respectively to protect the American public. Control over interstate and export shipments of diseased cattle was established by the act of 1884 creating the Bureau of Animal Industry. The oleomargarine act of 1886 assumed the regulation of that industry by means of a tax on the product. The meat inspection act of 1890 extended food control to the inspection of meats as well as livestock for export, and of imports not only of

meat and livestock but of unwholesome or adulterated foods, drugs, or liquor. An act of the following year extended the principle more fully as applying to exports and included also the field of interstate commerce in meats and livestock.

A second type of social legislation is illustrated in the beginnings of the Public Health Service. Food and drug regulation was a control over things; the health service was a control over persons, diseases affecting persons, and disease carriers. Quarantine control was first exercised by local and state authority, later, during the seventies and eighties, by concurrent action of state and nation, and after 1890 by the federal government through the establishment of separate national organization. Epidemics of yellow fever and cholera forced the issue on both economic and social grounds in the quarantine act of 1878 and in the National Board of Health (1879-1883) which were designed primarily to prevent the introduction and interstate spread of diseases, through supplementing and coöperating with state regulation. After 1883 the administration reverted to the Marine Hospital Service. In 1890 national control was fully asserted over enumerated epidemic diseases and in 1890 and 1891 the medical inspection of immigrants was inaugurated. These regulations were extended in 1893 by the general foreign and interstate quarantine act.

The preservation of public morals represents still another type of government activity which was exercised partly under the postal clause and later under

the broader use of the interstate commerce clause. Beginning with lottery legislation in 1827, even lottery advertisements in newspapers were excluded from the mails by 1890, and five years later all importation or interstate commerce in lottery matter was prohibited. Vice legislation, which covers circulation of obscene or objectionable literature or other matter, also was limited by postal regulation in 1865 and 1873 and later in 1897 was prohibited under the interstate commerce clause. These various types of social legislation were justified on the principle of the right of national regulation in the interest of public health and morals, although in some cases the dominant motive originally was protection of property interests and of foreign commerce.

Federal recognition of the problems of education are to be found chiefly in three directions: elementary education which would affect the South primarily, agricultural education, and mechanical education. A Department of Education was created in 1867 and became a Bureau in the Department of Interior in 1869, but was not given any administrative or mandatory authority. Agitation of the question was persistent throughout the period. The Hoar bills beginning 1870 provided for a centralized control of education to supplement the state systems, especially in states where there was no adequate school system. A somewhat different plan is represented by the recommendations of John Eaton, Commissioner of Education, which were urged during the period from 1870-1886. His plan was to cre-

ate a fund from the proceeds of the sales of public lands, the interest from which was to be divided *pro rata* among the states and territories. The Blair bill of December, 1881, provided for the distribution of $77,000,000 to the states in proportion to the number of illiterates. This was designed especially for the South, and Blair bills were kept before Congress for several years. This plan left the states practically free to use the money distributed as they saw fit, and was a contrast to the centralization provided in the Hoar and Eaton plans. While all these schemes failed, they are of importance inasmuch as they indicate the trend of policies. In higher education of vocational character the results were different. The act of 1862 extended federal aid to the states for the establishment of agricultural and mechanical colleges. The act of 1890 gave additional aid and provided for a degree of federal supervision over the expenditure of funds.

Public land policies passed through a significant transition during the period. The prevailing policy had been designed to promote the development and settlement of the public domain. The new policy which was being introduced had as its purpose the conservation of resources remaining in the hands of the government and the reclamation of lands otherwise unfit for profitable use. The change in policy came as a result of the passing of the frontier in the decade of the eighties and the consequent realization of the limited quantity of the natural resources remaining.

Protests against land grants to railroads caused the

abandonment of that policy in 1871. During the following years a movement developed to secure the forfeiture by the railroads of all unearned grants. This was accomplished in the general forfeiture act of 1890. The purpose of the preemption, homestead, timber claim, and desert land acts had been twofold: to develop the public domain, and to provide homes for the people. The preemption and timber claim acts were repealed in 1891 and the other two acts revised to prevent abuses. Indian reservations were opened to settlement as a result of the pressure of population, the most notable case being that of Oklahoma in 1889. The conservation and reclamation policy of the period authorized forest reserves to be established by the president (1891), surveys of mineral resources (1888), and the reservation of irrigable lands and reservoir sites (1888). It was an appeal by the people to the federal government to protect the natural resources against exploitation by and for the benefit of a few individuals. The significance of the frontier as a factor in American history which developed individualism, nationality, and democracy has been strongly emphasized by historians, but for recent history the significance of the closing of the frontier is at least equally momentous.

The evils of the industrial system and the necessity of its national control forced upon the federal government a recognition of the labor question. The House of Representatives established a standing committee on labor in 1883, and in 1884 Congress created a national Bureau of Labor. In 1886 Cleveland

was the first president to discuss labor problems in a message to Congress. In response to his recommendations, an act was passed in 1888 providing a means for voluntary arbitration of disputes between the railroads and labor engaged in interstate commerce.

The large immigration of cheap foreign labor, together with the promulgation of radical political doctrines of European origin, centered attention on the problem of the foreigner in relation to American nationalism. The first steps in modification of the traditional free immigration policy are found in the Chinese exclusion act of 1882, the general immigration act of the same year, and the contract labor act of 1885. Self-conscious Americanism had begun putting up bars against outside influences in the interest of self-preservation.

Assistance given by the federal government to agriculture is chiefly conspicuous by its absence. The farmer, through support of various reforms, had greatly influenced all lines of development but had been able to secure little direct help for himself. He had been most clearly associated with transportation and money reform, but practically nothing was accomplished in credit and marketing. Direct recognition of rural economy was given by promoting scientific agriculture through grants to agricultural and mechanical colleges in 1862 and 1890 and to experiment stations in 1887. Then finally a Department of Agriculture, created in 1862, was reorganized with a seat in the Cabinet in 1889.

In the field of finance the problems are much more complicated, but demonstrate the same principles in operation. This field has been most thoroughly worked by the economist and from the economist's point of view; therefore the materials and method of presentation have been primarily to determine right and wrong or sound and unsound economics in terms of the prevailing economic theory. Peculiarly enough, there is little interest shown in whether there might possibly be some fault in the economic theory, or its universal applicability. The historian has followed the economist and largely adopted his viewpoint, notwithstanding the fact that although they both deal with much the same material, their purposes are different and they employ, or at least should employ, a quite different methodology. The historian has relatively little interest in the right and wrong of the economist as such, or even of the moralist. His interest is to reconstruct a picture of the period, accurately representing its ideals, beliefs and prejudices, and to interpret the contributions of the period, either positive or negative, in each of its main lines of development. The financial problems growing out of the Civil War assume a somewhat different color when viewed from this angle.

The exigencies of the war necessitated a revision of the banking system for the benefit of the federal government and of business interests. An analysis of the bank acts and business practices appertaining thereto illustrates conspicuously the absence of any provision

for handling of rural credits in either form. The minimum capitalization of a bank was fixed at $50,000 in towns of less than 6,000 population. This standard was almost prohibitory. Short time loans were made on 30-60-90 day basis. This was too short a time to be of much assistance to the farmers. Loans on real estate security were prohibited, which made it impossible for banks to serve the farmer by long time credits. The national banks were essentially urban business corporations under the protection of the federal government and enjoying the special privilege of issue of currency. The argument that the system was based upon sound banking principles in no way minimizes its defects. The hostility of the debtor class, as the post-war depression became acute, almost immediately centered on the national banks and the banknote currency. Most of the solutions offered aimed directly or indirectly at modification of the functions and privileges of the national banks, especially at the withdrawal of the privilege of note issue. The greenback of war times presented a panacea for economic ills. Whatever may be decided as to the validity of the greenback solution from the standpoint of sound economic theory, the historian must not overlook the significance of the movement as illustrating the tendencies of the period. The attacks on the banking corporations are in the same category as the attacks on railroads, industrial corporations, and monopolies, which, it was argued, were not conducting their business in the interests of

society but for themselves and to the injury of society. The greenback movement is in the nature of an appeal to the national government to assume the functions of note issue in the interests of the people and to the exclusion of the privileged corporation. Unfortunately for the full and logical development of the theory, the advent of silver into politics with corporate interests behind it confused the real issue. After 1880 the greenback movement dwindled, but it was succeeded by the anti-monopolist party whose name indicates a broader interest but whose following was smaller inasmuch as its logical supporters had joined the forces of silver. Regardless of the greenback and of silver, the fact remains that the economic maladjustment which they sought to relieve was real and vital to a majority of the people. Industrial interests being more favorably situated and controlling the economic machinery were not interested in presenting any thoroughgoing remedy. Their advantage lay in maintaining the *status quo,* while granting only such concessions to the opposition as were unavoidable to conserve their own dominant position.[1]

[1] The silver question was not peculiar to America. There is no doubt that the gold supply was inadequate, under existing monetary and banking conditions, for business purposes, not only in America, but in other parts of the world. Great Britain, the financial center of the time, was so seriously concerned throughout the decade of the eighties that a National Commission was created to study the problem. Their report was made in November, 1883. The Commission was unable to arrive at an agreement as to remedies, but were equally divided in recommending bank notes in small denominations, and bimetallism—with the proposal for an International Monetary Conference. The accident of a great discovery of gold in 1888 in the Rand helped to solve the problem for England, just as ten years later an equally accidental discovery of gold in

The extension of the protective tariff system was the primary political interest of America's "infant" industries. The protective tariff is essentially a manifestation of conservative politico-economic theory. Its justification is based on the argument that the prosperity and strength of the nation are dependent upon the prosperity and strength of its key industries, secured by providing markets for raw materials of home production, thereby assuring agricultural prosperity, and by providing good wages and continuous employment to labor. If the premise is granted there is no escape from the conclusions. There is no escape from another conclusion, that it is an aristocratic theory of government, inasmuch as the argument turns on the point that the good of the many is dependent upon the welfare of the favored few. The low tariff theory is essentially the opposite, and it is a striking fact that thoroughgoing liberals and progressives have also been low tariff men or free traders. Such being the prevailing theories and the conservative elements being in control, there could have been no other outcome in tariff legislation than the establishment of the protective system, and it is noteworthy that tariff was not strictly a party issue until the election of 1888. The election of Harrison on a high tariff platform was a conservative victory, but tempered by a disagree-

the Klondike helped to solve it for the United States. It was largely a matter of chance in both cases rather than the intrinsic truth in conservative monetary theory which saved the situation. The chief virtue of the conservative position was the purely negative virtue of inertia and opposition to change.

ably small majority. The fact that the popular vote gave a majority to Cleveland as exponent of low tariff may mean much or little, depending upon interpretation. But be that as it may, some definite conclusions can be drawn. By 1888 tariff was a national party issue and raised the question whether the power of the national government, through its control over foreign trade, would be used for the direct benefit of corporate industry or for the direct benefit of the mass of the people through lower prices. The election answered the question in favor of the former. In another aspect the high protective tariff system is a manifestation of nationalistic tendencies. It is the aim of the national state to build up through artificial stimulation its essential industries as a basis of industrial independence, military power, and national security. The Republican platform even revived the term "the American System" to designate the character of their program. In this respect the election of 1888 indicates the culmination of another phase of nationalism as an element of party policy.

In the field of foreign affairs there is less that is positive in performance than in internal politics. The settlement of a long series of Anglo-American disputes is the most noteworthy event. The formulation of a constructive foreign policy met with little response. In the light of later developments, Seward's and Grant's policies are better understood if treated from the viewpoint of geographic areas which had become diplomatic areas. The Gulf and Caribbean area

includes the West Indies and Latin American states immediately bordering upon those bodies of water. American policy in Mexico, the Isthmus, Cuba, Santo Domingo, and the Danish Islands came to nothing except in Mexico. The Pacific area includes the island groups in mid-ocean, Alaska, and Eastern Asia, and Seward's Far East policy shows a distinct unity for the whole area.[1] In the Caribbean and Latin America the basic principle was the Monroe Doctrine, in the Pacific, the open door. In both these areas the policy of expansion shows striking resemblances to the policy embarked upon in the later years of the nineteenth and the early years of the twentieth centuries. Why were the results of those policies negative in the earlier period and positive in the latter? While the personal element in the desire to discredit the Johnson administration played a part, a more fundamental reason lies in the economic and political situation within the country. The United States was looking inward, not outward, and its energies were directed primarily toward the development and exploitation of internal resources. An aggressive foreign policy required, as a motive force, a powerful economic urge and that did not begin to make itself felt to any considerable extent until the decade of the eighties.

The successful prosecution of the Civil War had given the United States a new international standing and a measure of recognition as a greater factor in

[1] Dennett, Tyler. Seward's Far Eastern Policy. American Historical Review (October, 1922), XXVIII, 43-63. Also, Dennett, Tyler. Americans in Eastern Asia. New York, Macmillan, 1922.

world affairs. Participation in international exhibitions and in the consideration of world problems was frequently sought, but participation by the United States in international coöperation and administration was limited till the decade of the eighties; in fact the United States was not a party to any international agreement of this kind previous to the Cape Spartel Lighthouse convention of 1865, to only three prior to 1880, but between 1880 and 1890 the United States ratified six additional understandings. These later ones have little connection with the earlier problems, and belong more properly to the next period.

American cultural development produced little of outstanding quality either in literature or in the arts. Even so, a distinct consciousness of national deficiencies manifested itself and reacted in the stimulation of efforts to produce a distinctive national culture. Probably some of the various aspects of this effort are reflected as interestingly as anywhere in the realistic Howells novels of the eighties and early nineties; *Dr. Breen's Practice* (1881), *A Modern Instance* (1882), *The Rise of Silas Lapham* (1884), *The Minister's Charge* (1887), *Annie Kilburn* (1888), *A Hazard of New Fortunes* (1889), and *The Coast of Bohemia* (1893). They cover a wide range of changing ideas, customs, institutions, and prejudices; literature, journalism, the periodical, art, architecture, religion, social service, recreation and social life, together with the deficiencies and conflicts of cultural background, ideals, and ambitions of the new national consciousness. Much

that is similar is presented somewhat differently in Hamlin Garland's *Son of the Middle Border*. There was relatively less of the attempt to interpret European culture to America as had been done so well by Longfellow and Irving, and more of the attempt to interpret America to Americans in terms of American spirit.

As the nation grew in size, population, and complexity and the federal government entered the new fields of economic and social activity, it became necessary to reform the old machinery of administration and create new agencies. Civil Service Reform was fought out with the fervor of a moral crusade but its true significance lies in the necessity of greater administrative efficiency in a period of centralization and expansion of government. The first of the new economic departments of government was the Department of Agriculture, created in 1889. Several new bureaus were created, the Bureau of Education (1867, 1869), the Bureau of Labor (1884), the Bureau of Animal Industry (1884) for animal and meat inspection. The Marine Hospital Service was expanded to perform quarantine duties. The tendency of each of these bureaus, which were created without mandatory duties (except the Bureau of Animal Industry), was to agitate for delegation of mandatory powers and eventually for reorganization as cabinet departments. New experiments in administration are presented in the temporary tariff commission of 1882, the Civil Service Commission of 1883, and the Interstate Commerce

Commission of 1887. Each of these functioned outside of the regular executive departments, though the wisdom of this arrangement has often been questioned.

In each line of development under review the tendency toward nationalization appears as a dominant note. This aspect of the period had not been sufficiently appreciated. The principle of nationality is one of the distinctive features of modern history, and it applies to American history as well as to European. The American historian, as well as the American people, has been so completely engrossed by the fetish of isolation that there has been little attempt to correlate developments in the western hemisphere with those in the eastern. In spite of the fact of a relative isolation, the main lines of evolution of nineteenth century civilization on both sides of the Atlantic have been similar and in many respects coördinate or interrelated. The nationalities of the extreme west of Europe developed earlier; those of central and eastern Europe later. The success of the federal government in the Civil War gave confidence in the permanence of popular government and stimulated the reform of the English Parliament in the direction of national democracy. Bismarck used the constitution of the United States as the model for the constitution of the new German Empire. The Italians and the Germans both fought a series of wars during the decade of the sixties which culminated in the national unification of those peoples. American development is in a sense coördinate. The Civil War stands in much the same relation to the

national unification of the American people. In the United States as in Germany and Italy the national principle was established only by resort to the policy of "blood and iron." From the time of the American Revolution to the Civil War two groups of forces were in conflict. One group tended toward centralization and nationalization. Its economic basis was chiefly commercial and industrial. The other group was disruptive, inasmuch as it tended toward states rights and extreme sectionalism. Its economic basis was chiefly a rural economy founded on the slave system.

It would be wholly inaccurate to imply that urban economy is nationalistic in contrast to rural economy as localistic and sectional. The rural frontier was distinctly a nationalistic factor, although there are exceptions, as in the case of the Mississippi Valley when Spain controlled the mouth of the river. Even in the South the western slave states were relatively more nationalistic than the eastern. The urban economy was also nationalistic, but here again there are exceptions, as in the case of New England during the war of 1812. In 1850 urban and rural wealth were about equal, with urban wealth increasing at a relatively greater rate: in other words, the balance between urban and rural economy turned at approximately that date. Urban economy because of its closer organization and interdependence, other conditions being equal, would have been more powerful than rural economy even though it had less aggregate wealth. The

predominance of problems of territorial expansion and the slave question in the forties helped to keep the balance fairly even till the close of the Mexican war and the Compromise of 1850. Thereafter the urban economy progressed at an unprecedented rate, especially through industrialization, telegraph, and, probably most important, railroad construction to which the federal government gave assistance; thus carrying forward the urbanization of the nation. And it is interesting to point out as an example that it was Stephen A. Douglas, of Chicago, who was the first to secure federal railroad land grants from Congress, and they were in the interest of the metropolitan area he represented. This urbanization process was begun before the Civil War, not after, and greatly accentuated the differences between free and slave states. The South was both rural and slave, and if it remained slave it must remain rural. And the converse, as the South became urbanized it could no longer remain slave, but would become transformed and assimilated in the nation. In fact, the slave system had already become unprofitable as a system of rural economy. The slave system was on the defensive even in the South and that is why the South was so sensitive to criticism of its peculiar institution and so reckless in its defense. Superiority in economic organization on the part of the North, together with the assumption of alleged superiority in morals, created a situation intolerable to the South.

The Civil War, the climax of the conflict of these

forces, was the test of American Nationality and the success of the federal government was the victory of the national principle. The states rights or sectional principle, typified by the South, was discredited, its supporters conquered, partially disfranchised, and subjected to the military domination and economic exploitation of the victor. The consolidation of the centralizing factors was inevitable and rapid in the years immediately following the war. Nationalism was a reality, and the federal government transformed into a truly national government in fact if not in theory. This reconstruction of the federal government could not be undone. The states rights principle never fully recovered. The spirit of the age was running in the opposite direction, and the scope of economic and social problems made the transformation a matter of necessity.

The control of reconstruction by the North afforded one of the most fruitful opportunities for nationalization. The fact of direct and indirect national participation in the development of the West established important precedents of interpretation and usage. The influence of economic and social necessity is demonstrated in the consequence of each line of development: railroad land grants, homestead policy, the Wabash and Santa Clara cases (1886), the interstate commerce act (1887), the anti-trust act (1890), the food inspection acts (1884, 1886, 1890, 1891), public health acts (1878, 1879, 1890, 1891, 1893), acts for the preservation of public morals (1890, 1895, 1897), the conservation

and reclamation acts (1888, 1889, 1891), the national bureau of labor (1884), the arbitration of railroad labor disputes act (1888), restriction of immigration acts (1882, 1885), grants for agricultural colleges and experiment stations (1862, 1887, 1890), the creation of the Department of Agriculture (1889), the partisan tariff controversy (1888) and civil service reform (1883). In each line the tendencies were the same and are evidences of the culmination of these nationalizing forces. It is altogether beside the point to insist that the acts asserting federal economic and social regulation were not efficient in securing the desired ends, and such argument obscures the really important point. The conservative political theory was still dominant, but the liberals had wrung from the conservatives, as a price of their continued domination, these concessions which were sufficient in themselves to establish the principle and to change once and for all the nature of the future activities of the federal government. The question was no longer whether or not there would be national control; that was settled. The question for the future was how much control should be exercised. Each of the four factors—industrialism, individualism, democracy, and nationalism—entered upon a new phase; industrialism and individualism subjected to new limitations, democracy given a more liberal interpretation recognizing in principle if not in practice that the welfare of the social group is paramount to the individual and his rights in property, and the national state became the agency for the exercise of these new

controls. It is this transformation of the federal government that is of pre-eminent significance as marking the culmination, between the years 1885 and 1890 particularly, of the various lines of development in the nationalized federal state, and as placing the seal of approval in terms of legislation and judicial interpretation upon the national principle as the outcome of the struggle of exactly a century (1787-1887) between states rights and nationalism. Upon the battlefields of the Civil War nationalism had won the victory, which by 1887 had been written into the law of the land. In this respect it also indicates the most logical division point in the half century between the Civil War and the World War.

PART TWO

THE MAKING OF GREATER AMERICA, 1887-1917

1. INDUSTRIALISM TO 1898

The second period of the half century between the Civil War and the World War can be quite properly designated as the making of Greater America. To the idea of a nationalized America is added the further idea of an imperialized America. For convenience of interpretation and organization of the materials, four subjects have been chosen as headings which most clearly characterize the outstanding feature of the period—industrialism, imperialism, internationalism, and democracy.

An interpretation of this period is dependent upon a larger recognition of the preponderant influence of industrial interests in formulating policy and directing government. The alliance between industry and politics has of course been recognized in a limited manner, but a more detailed analysis is necessary to understand it as a background for political programs. The close relation between Mark Hanna and McKinley is typical of the men who represent these elements. The full development of party machine politics with a machine or business representation in the Senate, controlling legislation and political and judicial appointments, is an indication of more far-reaching influences. The systematic assessments of corporations by the Republican

party in the election of 1888 and later indicates the extent of party alliances. The scanty majorities in Congress made necessary a most careful adjustment and manipulation of party alignments, such as those with respect to the admission of the north mountain states, the adoption of the Reed rules, and of party programs as in the pension act, the trust act, the silver act, the abandonment of the federal elections bill, to consolidate the party and expedite the passage of the key measure of the Republican party—the McKinley tariff. In the legislative history of this act the influence of a comparatively new element is obvious. Certain groups, who were becoming seriously and actively interested in foreign markets, insisted upon the introduction of a modification of the protective system in the form of reciprocity. It is significant that there were enough of the industrial groups of like interests to secure the adoption of this feature as an integral part of the Republican party program. In the making of the Democratic Wilson tariff the new South showed its hand in combining with the Republican protectionists in spite of party alignments. With the return of the Republicans to power their protectionist-reciprocity program was restored with more elaborate provisions which formed the basis of bargaining for foreign markets.

The factors contributing to create this political situation prior to the Spanish War can be explained only by a study of the commercial and industrial developments preceding and accompanying them. In the key

industries of coal, iron and steel the United States equalled the British in volume of production during the decade of the nineties; iron and steel by 1890 and coal by 1899. Also the American cost of production had been brought down to a point where American pig iron and steel rails undersold the British product on the London market in 1897. The tendency toward integration in both railroad and industrial enterprises continued, and a new and more efficient form of organization was invented in the holding company, which displaced the trust. Serious defects had developed in the national bank system. Its comparatively rigid form of organization had not allowed sufficient adaptation to new situations. The currency element had been based upon the Civil War debt then being paid. Bank-notes were decreasing in quantity and the system was hopelessly inflexible. Proposals were presented by bankers for a modification of the system, but the politician was in a delicate position. To admit the need of any far-reaching reform might seem to be an admission of the validity of the criticisms of the silver, greenback, and anti-national bank factions who had been agitating for reform for nearly a generation. Therefore all reform was refused. It is during this period also that bankers began to play a leading rôle in American industry. The preceding period had produced several strong financial groups of which the most conspicuous were the Morgans and the Rockefellers. Most of them had well established European connections. Their activity in industrial finance increased rapidly

in the eighties and when the panic came in 1893 an opportunity was presented for great financial reorganizations in railroads and industrial corporations which placed the control of the railroads, in particular, largely in the hands of the bankers rather than of the railroad men in the older sense.

The growth of industry brought about a material change in the nature of foreign commerce. In the annual survey of *Commercial Relations* for 1878 the Secretary of State noted that Europe looked to the United States for revival of her business and pointed out that "as these hopes are founded upon the belief that 'better times' in the United States mean our ability to purchase largely, as in old times, of the manufactures of Europe, and thus give life to their industries and work to their artisans, it seems probable that they will be in a great degree disappointed. Not only have we, to a great extent, emancipated ourselves from dependence upon Europe for our supply of manufactures, but we have, in some important branches of manufactures, entered into very successful competition with Europe in its own markets. The return to better times in the United States cannot, therefore, wholly fulfill the expectations of European manufacturers.

"The United States has been the great outlet for much of the manufactures of Europe, and the European manufacturers and exporters do not yet seem to realize the fact that to the development of our own industries, more than to commercial depression, is due

the reduced volume of foreign manufactures in our markets."

While this statement may be somewhat exaggerated, it indicates the trend of commercial change. After 1875, except for the years 1888, 1889, and 1893, there was a favorable balance of trade in merchandise. The United States had become an exporting nation, and during the period stood third among the nations of the world in volume of export business. In 1897 the United States passed Germany, becoming second only to Great Britain. Between 1870 and 1900 American imports had increased 95 per cent in value, but during the same period exports had increased 225 per cent. The increase in terms of commodities is even greater than is indicated by the figures based on values because this was a period of falling prices, although the upward turn had begun by 1900. It is notable that in exports there was a relative decrease in importance of agricultural products, which were 83.3% of the total in 1880 but only 60.9% in 1900, and a relative increase in importance of manufactures, classified according to sources of production, which were 12.48% of the total in 1880, but 31.65% in 1900. Not only was there a relative decrease in all agricultural products exported, but the decrease was striking in foodstuffs, which fell from 55.77% of the total in 1880 to 39.8% in 1900. The groups of articles of export, in order of their importance, were breadstuffs, cotton, meats (provisions), iron and steel, refined mineral oil, copper

products, and lumber products. The change in character of these exports is of particular importance, for as late as 1880 there had been little or no export of the last four articles named. An equally great change is shown in the relative decrease in raw materials of all kinds, which were 67.76% of the total in 1880 but only 40.34% in 1900, and the relative increase in manufactures of all kinds, including prepared food products, which were 32.15% of the total in 1880 but 58.58% in 1900. An analysis of imports also shows radical changes. In 1870 imports of manufactures ready for consumption were 39.8% of the total, in 1880 they fell to 29.43%, and by 1900 to 23.9%, while crude materials for use in manufacture rose from 12.7% in 1870 to 32.5% in 1900. Much of the significance of this change would be missed without an enumeration of the leading articles included among the crude materials; rubber, wool, hides, raw silk, fiber, and uncut diamonds. The leading article of import was sugar. Its relative importance remained unchanged at approximately one-eighth of the total imports. Crude foodstuffs fluctuated widely during the period. In 1870 they stood at 12.4% of the total, in 1880 at 15.01%, in 1890 at 16.16%, in 1892 at 21.2% (the high point), and in 1900 at 11.5%. An enumeration of these articles is not without significance: coffee, tea, cocoa, fruits, and nuts. These last two groups of enumerated articles are produced mostly either in the tropics or in the so-called backward regions. The increasing dependence of modern civilization upon tropical and

semi-tropical products placed the United States in a less favorable situation relative to those products than Great Britain, Germany, and France with their tropical colonies and their privileged position in Asia.

The markets for American exports changed somewhat with the change in the character of products, and may be summarized by continents as follows:

Continent	1870	1880	1890	1900
Europe	79.35%	86.10%	79.74%	74.60%
North America	13.03	8.31	10.98	13.45
South America	4.09	2.77	4.52	2.79
Asia	2.07	1.39	2.30	4.60
Oceania	.82	.82	1.92	3.11
Africa	.64	.61	.54	1.79
Per capita value	$9.77	$16.43	$13.50	$17.96

The bulk of exports were to Europe, especially Great Britain, Germany, and France. There was a good increase in volume to countries of northern Europe, but a decrease to all countries of south Europe except Italy. In North America, Canada was the leading market, ranking fourth among all nations in the consumption of American goods. The economic depression in the West Indies and Central America greatly offset the increase in other North American markets. The South American market fluctuated widely during the thirty-year period covered by the figures, but Asia, Oceania, and to a lesser extent Africa, showed a strong increase. The most significant factor in the non-European markets was not the volume of exports, but the possibilities of developing larger markets to offset the relative decrease in the European market where American manufacturers had to compete with well-

established European manufacturers. In particular, the fluctuations and uncertainty shown in the whole Latin American trade indicates an important reason for American interest in economic and political stabilization of that area.

The sources of American imports also responded to the changes taking place in domestic industry and may be summarized by continents as follows:

Continent	1870	1880	1890	1900
Europe	53.98%	55.52%	57.14%	51.84%
North America	27.41	19.47	18.84	15.84
South America	9.41	12.30	11.43	11.02
Asia	6.78	10.02	8.57	16.45
Oceania	.31	2.13	3.60	4.07
Africa	2.10	2.56	.42	1.32

The amount of goods from Great Britain of British production decreased, but the decrease was offset by the considerable increases of goods of non-British origin shipped by way of Great Britain. There was a steady increase of imports from north Europe and a great increase from south Europe.

As certain regions were to be of particular importance to the United States at the close of the century, it is desirable to notice them briefly. The Hawaiian Islands were closely bound to the United States economically, especially after the reciprocity agreement of 1876. By 1898 of Hawaiian exports 99.6% went to the United States and of imports 76.9% came from the United States. The chief article of export was sugar. American trade with the Philippine Islands was not large and fluctuated with conditions. In the decade

1888-1898 the United States stood second in exports from the Philippines and eighth in imports into the Philippines. In Chinese trade the United States was second only to Great Britain and it is estimated controlled one-seventh of the whole trade. In 1894, American trade with Cuba, which was cut off by the rebellion, is estimated at $100,000,000.[1]

The weaknesses in the organization of the foreign trade shows that American commercial technic had not developed as rapidly as efficiency in domestic industrial organization. When competing with more highly developed systems of some foreign nations the disadvantage was keenly felt. Large aggregations of capital were becoming more and more essential to international trade competition. In this respect the liberal movement for the dissolution of trusts, which is represented in the Sherman Anti-trust Act of 1890, was running directly counter to the growing requirements of the foreign trade as determined by prevailing trade practices.

The decline of the American merchant marine during the last half of the nineteenth century was a matter of concern in foreign commerce. This decline began as early as 1855 when iron steamships began to prove clearly their superiority to the wooden sailing vessel. British supremacy in the iron industry was the determining element in ship building competition.

[1] The most convenient summary of foreign trade is to be found in Johnson, E. R., and Collaborators. History of the Domestic and Foreign Commerce of the United States. 2 Volumes. Washington, Carnegie Institution, 1915. II, Part 1, by G. G. Huebner.

A less liberal governmental policy regarding ship operation further handicapped American shipping in competition with foreign. By 1890 approximately eighty-seven per cent of American commerce was carried in foreign bottoms.

Merchants abroad found themselves without banking facilities for carrying on their business unless they used those of their competitors. This was especially true in the backward regions. The national bank system, created to meet domestic needs of the sixties, did not provide for the establishment of foreign branch banks. This was another grievance which became more acute as trade developed, and trade competition became keener. As a matter of fact, America had not had much capital for foreign investment, but conditions were rapidly changing. In China several speculative attempts had been made to secure concessions, but not until the close of the period did definite projects materialize. The American China Development Company secured a concession for the Canton-Hankow Railway 14 April, 1898. In Hawaii Americans had large investments in the sugar industry, and in Cuba, in the sugar and the mining industries. In Mexico and Central America considerable investments had been placed and developments carried on for some time.

The *Review of the World's Commerce for* 1897 was written by Frederic Emory, Chief of the Bureau of Foreign Commerce, Department of State, and is dated 25 April, 1898, the day of the declaration of war

against Spain. The following paragraphs illustrate the viewpoint of that branch of the department on the commercial situation on the eve of war:

"In view of what may be termed an American commercial invasion of the markets of the world, the attitude of the leading commercial nations toward each other and the relation which their industrial activities and trade interests bear to the United States become a matter of practical concern. The more important incidents of the past year in foreign diplomacy have, therefore, a significance for us which might not have attached to them in the absence of concerted efforts to extend the sale of our goods. It may be said that the chief business of European diplomacy at the present day is to secure new 'spheres of influence' and wider opportunities for trade, as well as suitable territory for occupation by the overflow of population from the more densely inhabited countries. The world has watched the diplomatic drama in China with an interest which has been heightened by the knowledge that the practical outcome might be either the opening of new channels of trade to the commerce of the globe, or the appropriation of them by particular nations for their own special benefit. China has, for some years, been one of the most promising fields for American enterprise, industry, and capital, and the entrance of that vast Empire upon the path of western development under conditions which would secure equality of opportunity to the United States, would doubtless result in immense gains to our manufacturers in the

demand, sure to follow, for lines of supplies and goods of various descriptions that we are preëminently fitted to provide.

"The solution of the problem of the future commercial conditions of the Chinese Empire has, therefore, an immediate and most important relation to the expansion of our export trade, especially that of the Pacific slope. The partition of Africa among the powers offers considerations of an economic character of almost equal magnitude, while the plans of the more active commercial nations, for increasing their respective shares of the trade of the Latin-American markets, affect us even more seriously in the development of our commercial intercourse with the southern half of the Western Hemisphere. The 'international isolation' of the United States so far as industry and commerce are concerned, has, in fact, been made a thing of the past by the logic of the change in our economic requirements, and we can no longer afford to disregard international rivalries, now that we ourselves have become a competitor in the world-wide struggle for trade.

"Nor is it with the relations of the different nations toward each other that we are alone concerned. The industrial changes occurring within the territory of each obtain new and graver importance in their possible effect upon our nascent development as an exporter of manufactured goods. The conditions contributing to the rapid growth of manufactures in Mexico in recent years; the fiscal changes in Russia, India,

and Japan, as well as in some of the Latin American countries; the extraordinary impulse given to the individual and commercial growth of the German Empire as a factor of international trade; the advances of Russia on similar lines, and the rapid progress of the Siberian Railroad toward an open port on the Yellow Sea; the efforts of Great Britain to meet the industrial encroachments of the other nations; the decline of the sugar industry in the West Indies as a result of beet-sugar competition; the troubles of Spain with her colonies; the discovery of gold in Alaska and adjacent territory in British Columbia; the tariff legislation of the United States, Canada, and other countries—all these phases of economic changes during the past years have an interest and importance for the individual manufacturer and individual operative in the United States, which are greatly enhanced by the transformation now going on in our industrial life, converting us slowly, but surely, from a people absorbed with the internal development of a virgin continent into one of the great commercial powers of the world, with international interests and responsibilities which such a position necessarily implies."

Again in the *Review of the World's Commerce* for 1898 the economic position of the United States was summarized accurately. "The industries of the United States have, in fact, been developed to a point where it seems not only practical but comparatively easy for them to supply a considerable portion of the world in addition to the home market."

The old theory that America was a producer of raw materials and a consumer of manufactures no longer held and commerce and industry were obliged to adjust themselves to the situation. It was only to be expected that the ideas and the methods which prevailed in Europe should influence the formulation of a modified American commercial policy as the government had to meet these new commercial problems in the period before the Spanish War.

2. IMPERIALISM TO 1898

One of the outstanding characteristics of the last quarter of the nineteenth century is the development of national imperialism: that is, an aggressive policy adopted on the part of a national state for the furtherance of the economic interests of its citizens abroad, either peacefully or by military force, and taking the form of special treaty arrangements, commercial, financial, or industrial concessions, the establishment of protectorates over backward areas, or the annexation of such areas for the more effective exploitation of their resources, or as military bases for the protection of its commercial interests. Such policies are supported either directly or indirectly by militarism, missionary activity, and the consciousness of an alleged superiority and divine mission of national culture. Under the influence of such ideas and methods the last half of the nineteenth century saw the partition of Africa and

the partial partition of the Near East and the Far East. The expansion of American industry beyond the needs of home consumption was producing a foreign commerce, the future of which seemed seriously threatened by competition and the limiting or closing of markets through imperialistic discriminations.

The first phase of this problem to be considered has to do with the European market. Great Britain, France, Germany, and some lesser countries adopted a policy of exclusion or regulation of American cattle and pork imports on the ground of danger from animal diseases, meat packing processes injurious to health and particularly danger from trichinosis, but there was also another element present, that of discrimination for economic reasons. France, for example, took $3,900,000 worth of pork in 1880. The prohibition decree was issued in 1881. In 1889 only $5,000 worth of American pork went to France.[1] Beginning with pork, the discrimination was extended to a general system during the nineties, partly for economic purposes and partly as retaliation against the American high protective system. France discriminated against American wheat in 1885, and in 1892 adopted a maximum-minimum tariff and enforced the maximum schedules against all American goods except those included in the reciprocity treaties of 1892 and 1898. A similar policy was also followed by Spain, Portugal, and Italy.

[1] Cortissoz, Royal. Life of Whitelaw Reid. 2 Volumes. New York, Scribner, 1921. II, 136-51.

The second phase of the problem has to do with the newer markets which American business men were actively cultivating during the last two decades of the century. In 1896 American exports to Madagascar were nearly $500,000, but three years later with that island under French administration they fell to $1,134.[1] After the Chino-Japanese War the gradual partition of China seemed more than ever inevitable. Such partition ran counter to the American commercial policy of the Open Door in Asia and it was more than probable that the United States would not share in the partition, as she had no leased port as the basis of developing a sphere of influence. To permit such a consummation would bring commercial disaster in Eastern Asia. The British preferential tariff agitation was more serious in possible immediate results, as the United Kingdom was the largest consumer of American goods and Canada fourth largest. The adoption of the Canadian system was watched with the gravest anxiety, and gave point to the demands of those engaged in Canadian trade for the inclusion of Canada in the reciprocity program of the Dingley tariff, which would have had the effect of putting the United States within the British preferential system so far as Canada was concerned.

Little active consideration was given to the question of foreign commerce and markets by the major political parties until 1884, when the platforms of both

[1] Coolidge, Archibald Cary. The United States as a World Power. New York, Macmillan, 1908. 179.

parties included this subject together with the related problems of merchant marine and a new navy. The Republican planks were as follows:

"The Republican party favors a policy which shall keep us from entangling alliances with foreign nations, and which gives us the right to expect that foreign nations shall refrain from meddling in American affairs —the policy which seeks peace and trade with all powers, but especially with those of the western hemisphere.

"We demand the restoration of our navy to its old-time strength and efficiency, that it may in any sea protect the rights of American citizens and the interests of American commerce. We call upon Congress to remove the burdens under which American shipping has been depressed, so that it may again be true that we have a commerce which leaves no sea unexplored, and a navy which takes no law from superior force."

The Democratic party came out clearly insisting that all additions made to American territory, except Alaska, had been made by Democratic administrations. The decline in the merchant marine had been under Republican administrations. The Republicans had surrendered to Great Britain "along with our commerce the control of the markets of the world."[1] Each party platform after this date agitated these three subjects and called for a stronger and more aggressive foreign policy together with a livelier interest in an Isthmian

[1] Stanwood, Edward. History of the Presidency. 2 Volumes. Boston, Houghton Mifflin, 1898, 1916. I, 431, 438-39.

canal. One of the important Republican criticisms of the first Cleveland administration in their platform of 1888 was that he did not develop a sufficiently aggressive foreign policy.

One important method by which the state may serve its citizens in the cultivation of foreign markets is through an efficient consular system. The American system was notoriously inefficient. Several attempts at reform were made from time to time after the Civil War and especially after 1895, but with little success. Important changes were made, however, in the direction of securing systematic commercial information. The issue of *Consular Regulations for* 1874 placed great emphasis on trade, and after that date the annual report on *Commercial Relations* from the Department of State showed improvement and after 1890 its purpose became primarily a summary of commercial data.[1] Beginning October, 1880, the series of *Monthly Consular Reports* were issued in response to commercial requirements. The *Introduction* to the series dated October, 1880, acknowledges the force of the new impulse which industrialism was injecting into the activities of the national government:

"Appreciating the good results of the praiseworthy efforts of our consuls for the enlargement of our commercial relations in their several districts, and desirous of giving the country the fullest and most direct bene-

[1] A good summary of government aid and commercial policy is to be found in Johnson, E. R., and Collaborators. History of the Domestic and Foreign Commerce of the United States. II, Part 3, by D. S. Hanchett.

fits of their labor, Congress, upon representations made thereto by this Department, at its recent session, made provision for printing and distributing more frequently the publications of the Department of State of the consular and other reports.

"This action was taken in response to the wishes of the leading commercial communities of the United States, as expressed through the chambers of commerce of the principal cities, which bore testimony to the great value of these reports, and the advantages which would accrue from their more frequent publication.

* * * *

"Heretofore the Department saw no profitable object in demanding, nor had our consuls any incentive in preparing and forwarding, any reports outside of those required for the annual volume, Commercial Relations, there being no provisions made for their publication and distribution. Now that Congress has recognized our consular corps as a leading factor in the development of our foreign commerce, and enlarged the field of its usefulness, this issue of Consular Reports inaugurates a class of publications which cannot fail to become of signal importance to the agriculture, commerce, and manufacturers of the United States."

By 1898 the monthly issue of consular reports was not sufficient so beginning with January, 1898, the *Daily Consular and Trade Reports* were issued regularly.

Early tariff policy, aside from its political aspects,

had been based upon the assumption that American exports were raw materials, and American imports were manufactured materials. The limitations placed upon imports were designed to protect the manufacturer, but with the development of manufacturing beyond the home demand the character of both exports and imports changed. Tariff and commercial relations had to be modified and arranged upon the basis of large proportions of both raw and manufactured materials in both exports and imports.

The new tariff policy was closely related to the question of commercial treaties. Other nations use the unconditional form of the "most favored nation" clause. Thus when a concession is made to one nation all nations share in it. The United States uses the conditional form of the clause. A concession made by the United States to another nation is made for a consideration and other nations cannot share in it unless they can grant the same or equivalent concessions. The new bargaining tariff policy adopted in 1890 is closely connected with the conditional form of the most favored nation clause which was considered an effective method, if properly used, to assist the American merchant to compete in foreign markets and to retaliate against tariff or other forms of commercial discriminations.

The American cattle and pork question offered an opportunity to formulate certain aspects of the scheme. Whitelaw Reid, American Ambassador to France under the Harrison administration, undertook negotiations

and not making headway in the ordinary methods recommended that discriminations be made against adulterated French wines on the grounds of health. Such a policy had been advocated in Congress during the eighties and was now adopted. The meat inspection act (30 August, 1890) provided for inspection of salt pork, bacon, and animals for export where inspection was required for importation into a foreign country, prohibited the importation of adulterated food, drugs, or liquors, and empowered the President to prohibit the importation of goods from a nation which discriminated unjustly against American goods. The next year a much broader act was passed. Germany took up the question of removing discriminations and Reid played off Germany against France for the honor of being the first to act. The French decree was dated 5 December, 1891, and Germany, Denmark, and Italy removed discriminations within a short time.[1] The McKinley tariff, largely through the influence of Blaine, included the penalty type of bargaining clause. This was designed primarily for the South American trade, but the German and Austrian agreements secured for the United States the benefit of most of their new convention schedules. The Wilson tariff of 1894 dropped the whole scheme of reciprocity and bargaining tariffs on the theory that lower tariff rates would in themselves promote freer trade and wider markets. In the meantime the Republicans had matured a broader program of reciprocity which it was hoped

[1] Cortissoz. Reid. II, Chapters 7-8.

would be more effective in bargaining than the limited provisions of the McKinley tariff. The Dingley tariff gave the opportunity to apply their policy again. Three separate schemes were included in that act. The first was a penalty clause similar to the McKinley clause. The second and third provided for reciprocity agreements: the second for certain enumerated articles, called the "argol clause," which could be administered by the President; the third, for broader concessions amounting to as much as twenty per cent reductions, which required ratifications by the Senate.

The problem of rehabilitation of the merchant marine was attended by serious difficulties because of the complex combination of factors. It was felt that a cultivation of foreign markets could not be successful so long as foreign commerce depended almost wholly on foreign shipping. American steamship lines must be established to connect with those markets. The general principles governing the operation of shipping were changed little during the century. Discriminatory legislation was practically nullified in operation through reciprocity concessions, except in a few cases where it was used for bargaining purposes to secure more favorable treatment. In 1884 and 1886 tonnage duties were reduced from 30 cents per ton to six cents per ton with a maximum of 30 cents per year, except that only half those charges were made on near-by trade to the south of the United States. This was another form of bid for West Indian and Latin American trade. American registry was allowed only to ships

American built, owned, and officered. In 1897 a slight modification was made in admitting American ships sold and rebought. The shipbuilders successfully resisted the admission of foreign built ships, which, it was said, could be bought one third cheaper than American ships. Materials for the building of wooden ships were admitted free after 1872 and for iron and steel ships after 1890. Limited subsidies were granted to shipping between 1865 and 1874, but agitation was revived during the eighties. Frye proposed a subsidy program consisting of a cargo ship bill and a postal aid bill. The latter was passed in 1891, but it had only a moderate influence on shipping. The percentage of American foreign trade carried in American ships fell from 12.9% in 1890 to 9.3% in 1900.

The naval agitation was somewhat more successful. The Rodgers board was appointed in 1881 to consider the question and report a program to Congress. Both politicians and naval officers took an active part in the naval propaganda. Writers on history contributed their support to the cause. Roosevelt published his history of *The Naval War of 1812* in 1882. It was as much naval propaganda as history. In the preface to the first edition he wrote: "At present people are beginning to realize that it is folly for the great English-speaking Republic to rely for defense upon a navy composed partly of antiquated hulks, and partly of new vessels rather more worthless than the old. It is worth while to study with some care that period of our history during which our navy stood at the highest

pitch of its fame; and to learn anything from the past, it is necessary to know, as near as may be, the exact truth." And in the preface to the third edition he discounted the necessity for large land armament on account of the position of the United States, "while, on the contrary, the necessity for an efficient navy is so evident that only our almost incredible short-sightedness prevents our at once preparing one." In 1890 Captain Mahan, of the recently established Naval War College (1884), wrote the first of a series of magazine articles which were reprinted in book form under the title of *The Interest of America in Sea Power, Present and Future.* It is significant that the first of these articles, entitled *The United States Looking Outward,* opens with the commercial argument and then develops the possible lines of expansion from the strategic viewpoint, with an accuracy which is surprising in the light of later events.[1] Such a series of articles from the leading authority on naval history and strategy deserves a most careful consideration. Propaganda for naval building in America coincides exactly with similar movements in Europe. In 1889 Great Britain and Germany authorized new building programs. The former provided for ten battleships of the first class and the latter for four. These were the first battleships of this class in the German navy. In 1890

[1] Mahan, Alfred T. The United States Looking Outward. Atlantic Monthly, December, 1890. Reprinted in The Interest of America in Sea Power, Present and Future. Boston, Little, Brown, 1897. Chapter 1. Also, Mahan, Alfred T. Retrospect and Prospect. World's Work, February, 1902. Reprinted in Retrospect and Prospect. Boston, Little, Brown, 1902. Chapter 1.

the United States authorized three first class battleships and larger ones followed in rapid succession. The United States thus became a party to the world movement for great naval armaments which was so conspicuous after the later eighties. The act of 1883 providing for cruisers introduced the principle that naval vessels be built of American materials. This necessitated the building of plants for the production of armor plate and big gun forgings (1887) which have played so conspicuous a part in later naval programs and armament propaganda. It was not long before the United States navy ranked second only to Great Britain, while the much denounced German navy ranked third.

The beginnings of American National Imperialism were gradual and, so far as the mass of the people were concerned, unconscious. However, there were some men who were conscious and active imperialists. Mahan says that before 1885 he was an anti-imperialist, but by 1890 he was fully converted.[1] Many others who came into direct contact with the problems of imperialism from the standpoint of their own advantage or interested themselves in the factors which support and contribute to imperialism went through much the same change. Such men as Frye, Reid, Lodge and Roosevelt stand out conspicuously throughout the period as imperialists. In politics they lent their influence in that direction. Roosevelt, fearing the influence of the peace movement in defeating their naval

[1] Mahan, Alfred T. Retrospect and Prospect. 18.

and other policies, wrote Lodge concerning the Venezuela affair, 27 December, 1895; "Personally, I rather hope the fight will come soon. The clamor of the peace faction has convinced me that this country needs a war." [1] Another type of support came from such men as the Rev. Josiah Strong, General Secretary of the Evangelical Alliance, who wrote a book entitled *Our Country* (1885) in which he elaborated upon the mission of the Anglo-Saxon race and particularly of the American branch. He argued that God had reserved this country with its great resources and material wealth and prepared in the Christian civilization of the United States a die whose mission was to stamp its impress upon the world. God had also prepared the backward nations through the decadence of their institutions and civilization to receive the more readily the impress of the die. This book had a wide circulation under the auspices of the American Home Missionary Society for whom it was written and presented in typical form the religious-missionary-national-culture argument in support of imperialism.

In the Pacific area a fully articulated policy was not officially formulated before the Spanish War, although the foundations were laid which were eventually to determine such a policy. In Samoa, American, British, and German interests and ambitions conflicted and were temporarily adjusted by a joint triple protectorate (1889). In Hawaii Americans, who enjoyed not

[1] Selections from the Correspondence of Theodore Roosevelt and Henry Cabot Lodge. 1884-1918. 2 Volumes. New York, Scribner, 1925. Hereafter cited Roosevelt-Lodge Correspondence.

only a practical monopoly of Hawaiian trade, but controlled a large share of the economic interests of the islands themselves, engineered a revolution for the purpose af annexation—apparently with the approval of the outgoing Harrison administration. Mahan says of the episode of 1892-1893:

"The United States now finds herself compelled to answer a question—to make a decision—not unlike and not less momentous than that required of the Roman Senate when the Mamertine invited it to occupy Messina, and so to abandon the hitherto traditional policy which confined the expansion of Rome to the Italian peninsula. . . . What is here involved is not so much a particular action as a principle pregnant of great consequences." [1]

An anti-imperialist president blocked the annexation movement, but that only delayed action. Immediately after the return of the Republicans to power a new annexation treaty was drafted and submitted to the Senate for ratification. By special commercial agreements with Spain more favorable privileges were secured for trade in the Philippines in 1887,[2] in spite of which commerce diminished to about half its former figure. In the North Pacific the seal controversy threatened the most serious consequences, and illus-

[1] Mahan, Alfred T. Hawaii and Our Future Sea Power. Forum, March, 1893. Reprinted in The Interest of America in Sea Power, Present and Future. 29.

[2] Malloy, William M. Treaties, Conventions, International Acts, Protocols and Agreements between the United States of America and Other Powers, 1776-1909. 2 Volumes. Washington, Government Printing Office. 1910. II, 1683-85.

trates the extent to which the government was ready to go to protect the monopoly privileges of the Alaska Commercial Company from the competition of foreign business interests. These events were bringing American interests into closer and closer contact with affairs of Eastern Asia, and gave an added importance to the Open Door as an American policy. Would isolated action, the method followed for maintaining that policy during the later part of the century, prove adequate under the stress of the radically changing conditions?

In Latin America the Monroe Doctrine did duty as a protective policy and Pan-Americanism was invented as a coördinate policy to develop commercial relations with that area. In the formulation of policy Blaine assumed leadership. The first call for a Pan-American Conference was made in 1881 but the meeting did not materialize. In 1889, when the first conference met, Blaine presided. His conception as to what Pan-Americanism meant is stated in the Chicago *Weekly Magazine* for 16 September, 1882. It was, first, to preserve peace, and, second, "to cultivate such friendly commercial relations with all American countries as would lead to a large increase in the export trade of the United States by supplying those fabrics in which we are abundantly able to compete with the manufacturing nations of Europe." Much the same idea is expressed in the platform of the Republican party in 1884. It was in this spirit that the reciprocity features of the McKinley tariff were introduced and treaties concluded with eight different countries affect-

ing Latin American trade. The attempt by the French Panama Canal Company to build an Isthmian canal aroused unexpected feeling in the United States and directed attention forcibly to the problem of the relation of the canal to commerce. The Maritime Canal Company secured concessions from Nicaragua and the government sent out engineering commissions in 1895 and 1897 to investigate and report on routes. Public opinion was tending toward a distinct change of policy on the canal question, but the change did not crystallize until after the Spanish War.

The Gulf and Caribbean area was becoming of distinctive importance to the United States from both commercial and strategic standpoints. West Indian sugar and tobacco were the leading imports, and these islands were natural markets for American agricultural products and manufactures. Commercial relations with the Spanish Islands, which were the most important, were regulated by the old commercial treaty of 1795 as modified by the treaty of 1819. Beginning in 1884 temporary special commercial agreements were entered into with Spain affecting trade with Cuba and Porto Rico, pending negotiation of a new commercial treaty,[1] and under the provisions of the McKinley tariff act reciprocity agreements were made to facilitate trade with those islands. The abandonment of reciprocity in the Wilson tariff of 1894 distributed a prosperous trade.

The Cuban rebellion of 1895 was caused primarily

[1] Malloy, Treaties, Conventions, etc. II, 1680-88.

by the economic depression brought on throughout the West Indies by the rivalry of cane sugar with subsidized beet sugar, and of West Indian tobacco with Turkish and Asiatic tobaccos, combined with the economic and administrative policy of Spain. The rebellion was related to the United States through the rivalry of American and Spanish products on Cuban markets and through American sugar investments. The devastation policy of the rebels and the reconcentrado policy of the Spanish ruined American investments and cut off the remaining trade. This situation presented the strongest argument determining American intervention.[1]

At the close of a short and victorious war the United States could have made peace on the basis of the Spanish terms of the independence of Cuba and the payment of a money indemnity to the United States. But imperialists like Reid, Lodge, and Roosevelt opposed any peace settlement which did not include the annexation of colonial territory, Porto Rico and the Philippines. Roosevelt wrote to Lodge more than once in much the way he closed his letter 19 May, 1898: "and do not make peace until we get Porto Rico, while Cuba is made independent and the Philippines at any

[1] Benton, Elbert Jay. International Law and Diplomacy of the Spanish-American War. Albert Shaw Lectures on diplomatic history, 1907. Baltimore, Johns Hopkins Press, 1908. Bakeless, John Edwin. The Economic Causes of Modern War. 1878-1918. New York, Moffat, Yard, 1921. 116-23. Vialatte, Achille. Les préliminaires de la guerre hispano-américaine et-l'annexation des Philippines par les Etats-Unis. Revue Historique (1905), 82: 242-91. Also see *ante,* pp. 51-54.

rate taken from the Spaniards." [1] Reid argued in an article in the September, 1898, *Century* for the whole of the Philippines and he urged it privately to both McKinley and Hay. The evangelical churches urged the missionary and civilization argument. Under influences such as these McKinley announced to his peace commissioners that "the war has brought us new duties and responsibilities which we must meet and discharge as becomes a great nation on whose growth and career from the beginning the Ruler of Nations has plainly written the high command and pledge of civilization," and not only Cuban independence and the annexation of Porto Rico were demanded, but on "political," "commercial," and "humanitarian" grounds the cession of the whole Philippine archipelago "must therefore be required." The Philippines do not seem to have been considered as of great commercial importance in themselves. What appeared at that time as a more important element was the commanding position of Manila harbor in relation to the whole commerce of the Asiatic Coast.[2] It must be

[1] Roosevelt-Lodge Correspondence.

[2] Foreign Relations, 1898. House document No. 1, 55 Congress, 1 session. Public document No. 3743. Instructions of 16 September, 1898, p. 907; Instructions of 26 October, 1898, p. 935; Ultimatum to Spain, 21 November, 1898, pp. 950, 957.

Extract from instructions of 16 September.

"Incidental to our tenure in the Philippines is the commercial opportunity to which American statesmanship can not be indifferent. It is just to use every legitimate means for the enlargement of American trade; but we seek no advantages in the Orient which are not common to all. Asking only the open door for ourselves, we are ready to accord the open door to others. The commercial op-

remembered that European nations had adopted a policy of leased ports and spheres of influence which came to its climax in 1898 in the lease of Kiao-Chow to Germany, 8 March; Port Arthur to Russia, 27 March; Kwang-Chou-Wan to France, 27 May; and Wei-hai-Wei to Great Britain, 1 July.[1] This series of events gives points to the American ultimatum to Spain on 21 November for a cession not only of Manila,

portunity which is naturally and inevitably associated with this new opening depends less on large territorial possession than upon an adequate commercial basis and upon broad and equal privileges."

The following are the two most important paragraphs of the argument of the imperialist members of the peace commission, Davis, Frye, and Reid, for the annexation of the Philippines, and are largely commercial. Cable 25 October, 1898. Foreign Relations, 1898, 932-33.

"Commercially, division of the archipelago would not only needlessly establish dangerous rivals at our door, but would impair value of part we kept. Present prosperity of Manila depends on its being natural center of import and export trade for the whole group. Large part of its business derived from Iloilo, Cebu, and other points in the South. To yield these to friendly rivals would be to provide beforchand for diversion of business from our own possessions."

"If division should be insisted on, the only one that seems admissible would be by a line from the Straits of San Bernardino, south of Masbate and north of Panay, to the northwest corner of Borneo, leaving to the United States all to the westward, including Luzon, Mindaro, and Palawan. This would control the China Sea, and give excellent ports of call along the whole line from Borneo to Hongkong. But it would throw away the Visayas, including the best sugar, hemp and tobacco islands. These contribute a large part of Manila's trade, and are inhabited by a people nearly as easy to manage as those of Luzon."

[1] Texts of these leases and associated concessions can be found in Rockhill, William Woodville. Treaties and Conventions with or concerning China and Korea, 1894-1904. Washington, Government Printing Office, 1904. And MacMurray, John V. A. Treaties and agreements concerning China, 1894-1919. 2 Volumes. Carnegie Endowment for International Peace, New York, 1921. American interest is represented in the field of investment for internal improvements in China in the contract for the Canton-Hankow Railway entered into between the American-China Development Company and China, 14 April, 1898. Text in Rockhill and later developments in MacMurray.

but the whole of the Philippine archipelago, and explains McKinley's emphasis on the Open Door in his previous instructions to the commissioners on 16 September. The Philippines were considered the key to the Orient.

Industrialism had been leading quite clearly into imperialism for two decades. Had there been no Spanish War, the broad outlines of American history since that time would not be much different to what they are; the difference would be mostly in details. The combination of historic forces was too powerful, their tendency was too clearly defined, and they had committed the nation too completely already to the policies of imperialism for a single event or an isolated individual or group of individuals to modify seriously the direction of change. The Spanish War then, contrary to conventional interpretation, did not represent a change in direction, but it did give a tremendous acceleration to a process already well begun.[1]

[1] Mahan, Alfred T. Retrospect and Prospect, 48-49 gives a pertinent interpretation of the war.

"The march of events, not in the United States only, but over the world at large, not military or naval events chiefly, but of political events, events economical and commercial, has brought about a necessity for large navies: for navies much increased over the standard of twenty years ago. This is now universally recognized. Of this course of events in these two decades, and their result today, the war with Spain, which led directly or indirectly to the acquisition of every foot of insular territory possessed by the United States, is simply one incident; and an incident rather disconnected, something of a side issue, though one most timely for the welfare of the nation.

"Had the war not occurred, there is no reason to believe that the mighty events which have transpired in Africa, Egypt, the Levant and China, would not have happened; still less that there would not have been the immense commercial developments, which if less striking, are even more momentous, and more influential at this

American National Imperialism had thus crystallized into a recognized and deliberately formed policy officially stated in almost the identical language of European National Imperialism, and based on similar arguments of commercial advantage, political and military necessity supported by religious zeal and the conviction of the divine mission of national culture.

3. INDUSTRIALISM, 1898-1917

American industrialism after the Spanish War shows little difference in character from that which preceded, except as to size and volume. There was no distinct break or change in direction, but there was a tremendous increase or acceleration given to production and combination. The holding company was displaced or supplemented by the gigantic corporation. The enormous size of the new combinations is illustrated by the United States Steel Corporation. The further development of the community of interest idea afforded a means of wielding as great or even greater power in capital and influence without formal or-

moment upon the policy of nations. Issues and conditions which are moving the world would have been as they are had the distress of Cuba never compelled intervention. The difference now would have been that the United States would be without Porto Rico, Hawaii, and the Philippines; without reserved rights in Cuba, the key of the West Indies and the Gulf of Mexico; and that she would not have received the impulse, which the war and its consequent acquisitions most timely gave, to the building of the navy towards a point necessary to meet the demands of a political and commercial future, which in any case would have arrived, and, but for the war, have found the nation unprepared."

ganization as in the Standard Oil-National City Bank group.

The national bank system presented the same weakness as formerly, only on a more exaggerated scale, while the monetary situation was relieved somewhat by increased gold production due to the cyanide process of extraction and the accident of new gold discoveries in the Klondike. The McKinley-Roosevelt administrations managed to muddle through. Reform was seriously considered during the Taft administration, but no important measures were enacted until the Federal Reserve Act of 1913. This act went a long way toward providing remedies for banking and monetary difficulties. Industrial finance expanded on an unprecedented scale in the domestic field, seeking opportunities of investment in every variety of industrial activity.

After the opening of the twentieth century, foreign commerce showed a remarkable increase. Between 1900 and 1913, the last normal year before the World War, imports increased 113% while exports increased 76%. The increase in terms of commodities is not so great as is indicated by the figures based on values, because in this period there was an increase in price levels of about 13%. The relative rate of increase in exports was somewhat less for this thirteen years than for the preceding thirty. Part of this can be accounted for in the analysis of agricultural exports. The shift in exports from agricultural to manufactured products, which became conspicuous during the closing years of

the preceding century, continued with increasing rapidity. The former decreased from 60.9% of the total exports in 1900 to 48.3% of the total in 1912. As the Bureau of Foreign and Domestic Commerce did not classify exports according to sources of production for this period, it is necessary to employ the classification according to use. The difference between the two classifications in 1900 was less than 4% in the case of manufactures; 31.65% for the former classification, and 35.37% for the latter. On this basis the increase in manufactures was from 35.37% of the total exports in 1900 to 47.02% of the total in 1913. In other words, these two groups of products were of almost equal value by the close of the period. In world trade the United States was to be considered as much a manufacturing country as an agricultural country. Not only was there a relative decrease in all agricultural products exported, but the decrease was chiefly in foodstuffs. The volume fell from $545,474,000 in 1900 to $502,094,000 in 1913 despite the rise in price levels, and the percentage fell from 39.8 to 20.67 of the total. The groups of articles of export, in order of their importance, were cotton, iron and steel manufactures, provisions, breadstuffs, copper products, refined mineral oils, and lumber products. The most unusual feature is the change in position of breadstuffs from first to fourth place. Not only was there a relative decline in importance of this group, but an actual decline in volume of exports from $262,744,000 in 1900 to $133,191,000 in 1910. A great industrial popu-

lation in the United States used a larger proportion of breadstuffs and other foodstuffs produced, and accordingly the United States was losing its importance as a source of food supply for Europe, which depended more and more on other areas for those products—Russia, Australia, South Africa, New Zealand, India, Argentina, and Canada. Another change which is also marked is the relative position of crude products and manufactures. Crude materials of all kinds were 40.34% of the total in 1900 but only 37.48% in 1913. Manufactures of all kinds, including prepared foods, were 58.58% of the total in 1900, but increased to 62.07% in 1913. An analysis of imports shows less radical changes. Imports of manufactures ready for consumption decreased from 23.9% of the total in 1900 to 22.6% in 1913, while crude materials for use in manufacture rose from 32.5% of the total in 1900 to 34.9% in 1913. The leading crude products imported were rubber, hides and skins, raw silk, wool, leaf tobacco, fibers, and long staple cotton. The leading single article of import still was sugar, although it was of less relative importance. Crude foodstuffs, while increasing rapidly in volume, barely maintained their relative position. They consisted chiefly of coffee, cocoa, fruits and tea. Again the increasing importance of the tropics as a source of supply of raw and food products is illustrated.

The markets for American exports continued to shift with the change in the character of products and may be summarized as follows:

Continent	1900	1913
Europe	74.60%	59.9%
North America	13.45	25.0
South America	2.79	6.0
Asia	4.60	4.7
Oceania	3.11	3.2
Africa	1.79	1.2

The great bulk of the exports were to Europe, especially to Great Britain and Germany, and although there was a relative decrease in importance there was an increase in volume to these markets. In North America, Canada was the leading market, ranking third, after 1899, among all nations in the consumption of American goods. Mexican, Cuban and South American markets developed rapidly. In Asia the high point was reached in 1905, coinciding with the victory of Japan over Russia, after which the Chinese and Japanese trade declined relatively, and the trade for the whole area at the close of the period showed only a slight relative increase over that of 1900. About the close of the nineteenth century Europe became fearful of the commercial invasion of the United States and considered means of checking it, but the early years of the twentieth century proved there was no immediate danger. The issue in the commercial struggle between the United States and Europe was joined in the newer and undeveloped markets of the world.

The sources of imports showed less change than took place in markets. This is owing, to a considerable extent, to the fact that countries with large merchant marine, as Great Britain, Germany, Holland, and France, carry goods indirectly by way of Europe

which are credited to European imports instead of to the place of origin. More India-rubber and wool were credited to Europe than to the sources of production of those products. The distribution of imports by continents is as follows:

Continent	1900	1913
Europe	51.84%	49.2%
North America	15.84	20.0
South America	11.02	12.1
Asia	16.45	15.2
Oceania	4.07	2.0
Africa	1.32	1.4

The trade with the non-contiguous possessions of the United States was an increasingly important factor in the commercial system. Before the Spanish War this had been foreign trade, except with Alaska. Taking these possessions as a whole they rank fifth in importance in the trade with the outside world, being exceeded only by trade with Great Britain, Canada, Germany, and France. In order of importance they are Hawaii, Porto Rico, Alaska, and the Philippines. Hawaii furnished sugar, pineapples, coffee, rice, molasses, hides and skins in exchange for manufactured products and foodstuffs. The United States had almost a complete monopoly of its commerce. Porto Rican trade changed considerably under the American régime. In 1899 the leading Porto Rican exports were coffee, sugar, and fruits, but by 1913 the order was changed to sugar, coffee, cigars, and fruits, which were exchanged for food products and manufactures. The United States controlled 82% of imports into the island and 90% of its exports by 1913. Alaskan trade

increased more rapidly toward the end of the period, changing from fourth to third place in the list. The chief imports from Alaska were gold and fish, and exports to Alaska were foodstuffs and manufactures, even some coal and lumber. The Philippine trade increased enormously during the period. It furnished hemp, sugar, tobacco, copra, and a declining amount of coffee, in exchange for foodstuffs and manufactures. The United States controlled 44% of the exports of the islands in 1905, but only 37% in 1913, while her share in imports into the islands increased from 19% in 1905 to 45% in 1913. The Philippines did not fulfill the expectations of those who had insisted on annexation. Manila was not able to re-establish herself in the Oriental trade, and instead of becoming the center of that trade the shifting of trade and routes left her outside the main lines of shipping. The islands proved of value only for their direct trade. The practical monopoly in the Hawaiian, Porto Rican, and Alaskan trade, which were within the coasting system, was not enjoyed in the Philippine trade.

American commercial expansion was accompanied by an expansion of banking interests and foreign investments. The banker actively assisted the manufacturer in marketing his products. Investments were sought and placed in every part of the world; for various purposes and in different forms. Branch houses were established for the marketing of manufactured goods. Investments were made to develop the natural resources of foreign countries, such as

Mexican mines and oil, fruits in the Caribbean area, rubber in Mexico, Sumatra, and the East Indies, or to finance crops such as the cacao crop of Ecuador. Branch factories were established to hold patent rights or to get inside of tariff barriers as in Canada, to secure access to raw materials as in the pulp mills in Canada or the packing plants in the Argentine and Australia, and to secure a lower cost of production as in textile and electrical goods in Japan and China. Private loans were made to governments as in China or Santo Domingo.

The international aspect of business organization was a comparatively new element and was represented in industry by such organizations as the International Harvester Company, the Standard Oil Company, and the United Fruit Company. The last named organization developed its own shipping lines. Banking organizations met with serious difficulties, as the national bank system did not permit the establishment of foreign branch banks and limited the possibilities for use of commercial paper, until near the end of the period.

4. IMPERIALISM, 1898-1917

After the Spanish War commercial policy occupied a larger place in the program of government activities, and by the end of the period definite action was taken to revise old machinery or create new machinery to meet many of the new demands. The system of maximum-minimum tariff schedules which had been in-

augurated during the last years of the nineteenth century was adopted by practically all the countries of continental Europe and was used to discriminate against American goods and to retaliate against the high tariff wall of the United States. Projects for a general European tariff union were discussed as a means of checking the American commercial invasion. A tariff union did not materialize, but about 1905 there was a general raising of tariff levels. In the newer markets difficulties of other kinds were met. The Canadian preferential tariff did not damage American trade as much as anticipated, but nevertheless the American consul-general reported in 1902 that the fullest development of Canadian markets was not possible except with the adoption of reciprocity.[1] He noted a new feature in the establishment of branch factories of the leading American industries in Canada. However, the treatment given the Taft reciprocity treaty demonstrated quite forcibly that the mere willingness on the part of the United States was not in itself sufficient warrant for its adoption by Canada. In China the threatened partition called forth a new statement of foreign policy. The negotiations for a new commercial treaty in 1904 demonstrated the extent to which Russia would go to check American commerce, and the rejection of the American proposals respecting Manchurian railroads in 1909 showed the attitude of Japan as well as of Russia in the Far East.

[1] Commercial Relations, 1902. House Document No. 305, 2 session, 58 Congress. Public document, No. 4520. 39-42, 79.

The political parties recognized the problems and public officials as well as political leaders made liberal pledges. McKinley's last public address, delivered at the Pan-American Exposition at Buffalo, was a clear-cut statement of policy and pledge of more active governmental support in the advancement of foreign trade.[1]

The agitation for reform of the consular service, in which Lodge had taken an active interest after 1896, resulted in the passage of the Lodge act in 1906. Roosevelt's executive order of the same year placed the service under the merit system to increase its efficiency. An elaborate foreign trade service was developed through the *Daily Consular and Trade Reports, Special Consular Reports, Confidential Bulletins,* and other compilations.

The Dingley Tariff of 1897 had provided for reciprocity agreements. Limited agreements were made with France, Portugal, and Italy in Europe and several Latin American countries. A rather broad agreement was made with Germany, which helps to account for the large exports to that country during the period. The Tariff of 1909 adopted the maximum-minimum form of bargaining clause, following the European precedents. The Tariff of 1913, however, dropped the maximum-minimum clause, but retained the anti-dumping clause, provided penalties to offset bounties, and authorized the President to negotiate commercial

[1] Olcott, Charles Sumner. The Life of William McKinley. 2 Volumes. Boston, Houghton Mifflin, 1916. Text of address, II, Appendix, I.

agreements which were required to be ratified by Congress. Neither of these forms of bargaining tariffs succeeded altogether in reaching certain forms of concealed discriminations.

The governmental machinery for the regulation of foreign trade was inadequate and was not remedied until near the end of the period. The Federal Trade Commission Act of 1914 empowered that body to investigate trade conditions in and with foreign countries. The expenses and difficulties of organizing selling agencies and of advertising in foreign countries were prohibitive for the smaller industries in the United States. Export associations, following somewhat the European models, were advocated as affording combinations of sufficient size and capital to cultivate foreign markets effectively. In order to meet this condition the Exports Associations Act was passed in 1918, legalizing such combinations and exempting them from certain prohibitions of the anti-trust acts, and placing them under the jurisdiction of the Federal Trade Commission. The United States Steel Products Company is a result of this act. One of the outstanding features of the Federal Reserve Act of 1913 was the adaptation of the new banking system to the needs of foreign trade. Provision was made by which an American market in bills of exchange and acceptances was developed and foreign branch banks established. The National City Bank created forty-five such branches within four years and other banks interested in foreign business expanded in like proportions, so

that in nearly every important commercial city in the world there was an American bank through which an American merchant could do business.

The agitation for the merchant marine continued and received considerable support. Little change was made in policy regarding the operation of ships. The Panama Canal Act of 1912 provided for the registration of foreign built ships not over five years old and in 1914 the five year limit was removed. The Postal Aid Act of 1891 remained in operation, but was not considered sufficient by the advocates of ship subsidies. There was a series of subsidy bills presented in Congress, but all failed to pass. However, the tariff concessions on the import of materials for the construction of ships were extended. The most significant achievements were the creation of the Morgan's International Merchant Marine in 1902 on the Atlantic, the extension of the Pacific Mail Steamship Company and the Great Northern shipping experiments in 1903 on the Pacific, and the United Fruit Company fleets on the Caribbean; but at the opening of the World War American tonnage stood at about the same figures as at the opening of the century. The dislocation of shipping due to the war resulted in the passage of an act 7 September, 1916, creating the Shipping Board, with powers for regulation of interstate and foreign shipping by water similar to those of the Interstate Commerce Commission, the Federal Trade Commission, and the Federal Reserve Board for regulation of land carriers, commerce, and banking.

The naval program was more successful. Not only was the pre-Spanish war building program completed but a larger building program inaugurated under the leadership of such men as Roosevelt, Lodge, and Mahan, which placed the United States second in naval power by 1904. Both Roosevelt and Lodge used materials and arguments prepared by Mahan in carrying the naval propaganda to Congress and to the country.[1] The cruise of the White Squadron around the world in 1908 and 1909 was the crowning effort to impress the country and the world with the importance of American naval power, and to arouse in the country a conscious national pride in maintaining the position then occupied among naval powers. However, the rate of American construction was not increased to maintain that position and Germany passed the United States by 1910.

In the Pacific area the annexation of Hawaii in the Central Pacific was accomplished during the Spanish War and in the South Pacific the partition of the Samoan Islands with Germany followed in the next year. In the North Pacific the Klondike rush brought another dispute with Canada which affected adversely Canadian-American relations.[2] The conquest of the Philippines led to the establishment of American civil government and preferential tariff arrangements for Philippine-American trade. By these events the politi-

[1] Taylor, Charles Carlisle. The Life of Admiral Mahan. New York, George H. Doran Company, 1920.
[2] Malloy. Treaties, Conventions, etc. I, 770-73.

cal power of the United States was carried across the Pacific. Using the Philippines as a base on which to pivot its policy, the administration set out to establish its position securely in the Far East. Japan, the one strong Oriental power, protested the annexation of Hawaii in 1897, but later withdrew the protest, and, whether by coincidence or by agreement, the United States ceased active opposition to the realization of the primary ambition of Japan, the control of Korea. Among the great western powers, their rivalries in 1898 threatened to close the doors in the Far East through partition into spheres of influence or outright annexation. The United States, as one of the rivals, during that year annexed the portion of the Far East in which she was most interested, and applied the Closed Door while proceeding to force a restatement of the Open Door policy in China in terms of political, territorial and administrative integrity, and equality of economic opportunity, with intent to block the partition by the rival powers. The irony of such inconsistency, apparently, has never penetrated the American mind. The Open Door was accepted in principle by the leading powers, but enforcement was left to concurrent action. The United States refused to participate in a general agreement for the maintenance of peace in the Pacific area after 1898, and Great Britain resorted to the Japanese alliance.[1] But the United States was ready by 1921 to accept the suggestion of Great Britain

[1] Dennett, Tyler. Americans in Eastern Asia. Chapters 32-33.

for a general settlement, which resulted in the Washington Conference of 1922—the capstone of Pacific diplomacy.

In the Caribbean, the first problem was the establishment of government and of preferential trade relations in Cuba and Porto Rico, and the location of naval stations. Associated with this was the formulation of the Platt amendment, which defined American relations with Cuba and served as a model for fixing relations with the other political units within the area. The Isthmian canal became a strategic and commercial necessity under the new régime, and Roosevelt's precipitate and irregular action in recognition of the Panama revolution, with the canal treaty which followed, made that state virtually an American protectorate. The modification of British policy was indicative of the nature of the change taking place in the Caribbean. The plans for the reorganization of the British navy led to the withdrawal of the British fleet from the West Indies and the practical abandonment of naval stations there in 1905. This cannot but be interpreted as a tacit recognition of the preponderance of American interests and the practical identity of British with American interests in the area.[1] Appar-

[1] See letters exchanged between King Edward and Roosevelt. Bishop, Joseph Bucklin. Roosevelt and his Time. 2 Volumes. New York, Scribner, 1920. II, 261-62, 269-70. King Edward to Roosevelt, 20 Feb. 1905; Roosevelt to King Edward, 9 March, 1905; Roosevelt to King Edward, 12 Feb. 1908; King Edward to Roosevelt, 5 March, 1908. Roosevelt-Lodge Correspondence. April to July 1905, relating to Lodge's mission to King Edward.

Tyler Dennett in his Roosevelt and the Russo-Japanese War, discusses the quite unusual private secret diplomacy with Japan,

ently, also, this marks another step accomplished in a deliberate policy of Anglo-American rapprochement, which had begun even before the Spanish War. Interference in the Venezuela debts question marked the beginning of a new phase in the extension of American administration over smaller nations. In Santo Domingo, Haiti, and Nicaragua, collection of debts and financial administration developed into protectorates [1] under the principles of the Platt amendment and the lease of naval bases in defiance of public opinion in the states themselves and in neighboring Latin American countries. In others the assistance did not go that far. The purchase of the Danish Islands in 1916 completed the program of acquisition of naval positions commanding all the entrances of the Caribbean which it is possible to control.

Reference has been made to the relation of the Monroe Doctrine and Pan-Americanism to the problem of imperialism. The scope of the Monroe Doctrine was broadened with the expansion of the interests of the United States and the sharpening of commercial rivalries. This is not the place to enter into a discussion of the possible economic aspects of the Monroe Doctrine before the Civil War, but after the war the political interpretations were so extended as to present clearly

but ignores the equally important private secret diplomacy with Great Britain, which paralleled it and apparently covered a broader scope.

[1] The State Department has never officially designated these territories as protectorates and under that fiction public officials deny the fact of protectorship. However, the technical designation avoided by the State Department does not conceal or in any manner modify the character of United States control.

important economic considerations. In the Santo Domingo debts question, which may be used as an example, the United States acted under the principles of the Monroe Doctrine. The American debt convention of 1904 in favor of the National City Bank had provided for the collection of American debts from the customs collected on the north coast under American supervision and stimulated European action. Roosevelt assumed financial control of all customs in order to prevent the intervention of European states to collect their debts in a similar manner. European creditors were paid with funds provided by a $20,000,000 bond issue arranged through American bankers. European investments were replaced by American investments. This was only the beginning, as two additional bond issues were made by 1922. The financial administration of the republic by the United States government was the guarantee behind all these bonds. Financial administration of other American republics carried with it the same principles. Another instance of a different character was the case of a British corporation, S. Pearson and Son, Ltd., which was acquiring extensive concessions in Colombia. President Wilson's Mobile address in 1913 was regarded as a warning against such concessions and soon after the scheme was abandoned. Later, the Colombian reparations treaty of 1921 opened the way for a larger participation of American and other interests in Colombia. The economic aspects of the Monroe Doctrine should not appear unusual, in view of the intimate relation between political and

economic control of relatively weak and backward countries. While ostensibly the Monroe Doctrine was used to prevent political control of Latin American countries, it also was used to prevent or to discourage economic exploitations which might reasonably have political consequences.

Not only were there modifications in the scope of the doctrine, but there was a divergence of opinion as to methods of enforcement. One extreme is represented by the conception of the United States as the guardian of the western hemisphere. The other extreme is illustrated in Wilson's Mobile address, by his conception of coöperation of all American republics—a new Pan-Americanism. According to Blaine the purpose of Pan-Americanism was to bring about peaceful political relations in the Americas and to promote the expansion of American markets in Latin-American countries. The platform of the Republican party in 1884 set forth much the same idea. The Pan-American Conference did much to promote the movement not only on political but on educational, scientific, legal, and economic lines as well. Wilson's ideal practically merged the Monroe Doctrine and Pan-Americanism. The Monroe Doctrine was to prevent political and discourage undue economic exploitation of the Latin Americas by European nations, while Pan-Americanism was to promote closer political relations among the American nations and encourage expansion of American trade in these Latin American markets and the exploitation of their resources by American capital.

Thus by the time of the World War, American National Imperialism was an accepted policy. From the standpoint of partisan politics there was a difference of opinion regarding the relationship of the colonies to the mother country, but in general each administration carried Pacific and Caribbean policy one step further, with only a variation of details. On the whole, imperialism was not a partisan issue, although it received less support from the Democratic than from the Republican party.

5. INTERNATIONALISM

With the development of the modern national states arose the problem of relations between states. Diplomacy and international law grew out of the conduct of these relations. While schemes of international organization occupied the minds of a few thinkers, they did not go much beyond the academic stage till the nineteenth century. The revolution in industry, transportation, and communication created a situation where it became a practical reality in a limited form in the international congress system and in international agreements of a limited scope for coöperation in civil administration. The intense rivalries of national imperialism of the latter part of the century forced a fuller consideration of the issue of administration and preservation of peace. International organization was the complement of national imperialism. A local economic organization could be regulated by

local authorities, a national organization could be regulated by the national governments, but could economic organization, international in scope, be regulated by any other agency than some form of international political organization?

The United States began to enter definitely into the system of international organization for administrative purposes at the close of the Civil War by participation in the Cape Spartel Lighthouse Convention (1865). By 1880 she was a party to three multilateral coöperative agreements, from 1880 to 1889 six more were added to the list, from 1890 to 1899 three more, from 1900 to 1909 thirteen more, and during the next three years six more.[1] In addition to these conventions officially ratified where ratifications were necessary, there were others in which the United States participated, such as the Universal Postal Union (see act 8 June, 1872) and international copyright (see act 3 March, 1891) under statutory authority. These agreements are all non-political and non-military in character and cover necessary international activities:

[1] Malloy. Treaties, Conventions, etc. I, pp. XXI-XXII, table of agreements with dates of signature and ratification. II, 1903-2418, texts.

The above collection of treaties for the years 1776-1910 is printed in a work of 2420 pages. One fifth of the space is devoted to printing these international treaties. There were no international treaties before 1865 to which the United States was a party so this material is of much more relative importance for this period. There is no textbook on American history which recognizes this great body of material, much less one which places this aspect of foreign policy in proper perspective with relation to the whole scope of foreign policy. What is to be said in defense of the American historians who persist in writing the history of the United States from the standpoint of national isolation and in defiance of the facts?

communications (postal, telegraph and wireless), economic interests (weights and measures, patents, copyrights and agriculture), sanitation, health and police (sub-marine cables, African slavery, trade in white women, obscene publications), and scientific conventions. Most of these activities were handled through permanent central bureaus in European cities or in Washington, each with its separate organization and maintenance. The diplomatic appropriation act of 30 June, 1914, in addition to items covering expenses of the execution of formal conventions, carried appropriations to cover the annual expenses of American participation in six international agencies not covered by conventions. In addition to these official organizations there were several private organizations, many of which were scientific in nature. The covenant of the League of Nations provided for the centralization of these official bureaus and agencies so far as possible at Geneva. If the League accomplished nothing more than this, it would be the greatest single step yet taken in the direction of efficient international organization.

American participation in international politics has been much greater than is usually recognized. The United States was a signatory of several multi-lateral political conventions or treaties which have been officially recognized by the Senate: the convention for protection of Morocco in 1880, recognition of the International Association of the Congo in 1887, the Samoan triple protectorate from 1889-1899, the Boxer settle-

ment in 1901, the Whang Pu Conservancy convention in 1905, the Algeciras convention in 1906. In addition to these definite agreements, there are numerous instances in which the United States acted as a third party in the settlement of difficulties in Latin America and in world affairs, most notably in the Russo-Japanese War settlement in 1905. These international agreements, both non-political and political, which have been indicated, are only a part of the participation of the United States in world affairs, as there are many conferences in which the United States participated officially and unofficially which did not come to a definite conclusion or to whose agreements the United States did not become a party.

In the United States the world peace movement began early in the nineteenth century under the leadership of such men as D. L. Dodge and William Ladd. The American Peace Society was organized in 1828 and held a peace prize essay contest in 1840. The most significant proposal drafted in this period was one written by William Ladd, the President of the American Peace Society, entitled "An Essay on a Congress of Nations" and provided for a form of international court and an international legislative body in a Congress of Nations. This was a typically American plan based on the idea of the separation of powers. Elihu Burritt presented the plan to international peace conferences 1848, 1849, 1850 and 1851.[1] Charles Sum-

[1] Ladd, William. An Essay on a Congress of Nations. With Introduction by J. B. Scott. Carnegie Endowment for International Peace. New York, Oxford University Press, 1916.

ner was associated with this movement and later, in 1872, presented a peace scheme in the Senate which provided for arbitration as a substitute for war. The success of the Geneva Arbitration furnished the stimulus for active consideration of general arbitration schemes, a movement which continued during the remainder of the century. In his inaugural address, Hayes adopted arbitration as a policy for his administration. In later years Sherman continued the agitation, securing the adoption of a concurrent resolution in 1890 endorsing general arbitration. Cleveland, in 1897, completed the negotiation of a broad arbitration treaty with Great Britain, and both he and McKinley urged its ratification by the Senate, but without success. The American participation in the first Hague Conference was therefore directly in accord with the principles of American development as also was the drafting of the Hague conventions on warfare (international legislation) and the creation of the Hague Tribunal, which was a step toward an international court.

The peace movement received encouragement and strength from the Hague Conference, and private associations to promote peace were organized, such as the National Peace Congress (1895), the American Association for International Conciliation (1906), the World Peace Foundation (1910), and the League to Enforce Peace (1915).

The problem of preservation of peace may be met by either of two methods. The first is the historic

balance of power idea, an armed peace, which may include a limited use of arbitration. This is the viewpoint of the so-called practical men. The peace of Europe has been maintained for generations (allowing for interruptions by numerous wars) by this principle, and Europe remained two armed camps. The Monroe Doctrine in the western hemisphere had given the United States an international position at times out of all proportion to her military power through the fact that she held the balance between the European combinations. A similar effect was given to American participation in world affairs outside of the western hemisphere. In the last analysis such a position could be maintained effectively in the world system only through the sanction of military force. It was Roosevelt who carried this balance-of-power-armed-peace principle to its greatest extent as is illustrated by the Russo-Japanese War.[1] In the militarist group such men as Roosevelt, Lodge, and Mahan worked for land and particularly for great naval armaments, which were absolutely essential to such policies. Arbitration figured in a very small way in this kind of a system and could be applied only in the limited form to cases which did not effect a vital interest, national honor, independence, or domestic questions. Prior to the time of the First Hague Conference, the American arbitration movement had been on the broad basis of the unlimited form of arbitration or a close approach to

[1] Dennett, Tyler. Roosevelt and the Russo-Japanese War. (New York, Doubleday, Page & Co., 1925.)

that principle. The Hague Conference marks the narrowing of the field to the limited form. All of the arbitration agreements and arbitration discussions of the Roosevelt administration were on this very narrow basis.

The second method for preserving world peace is through the development of permanent international organization with disarmament, broad or unlimited form of arbitration, and adjudication by a permanent international court. Under the influence of the peace movement the American government, after Roosevelt's retirement, developed a policy in this direction. Such men as Schurz, Bryan, and Carnegie had been working, outside of official circles, for this newer ideal, and Taft as president had the opportunity to give it official expression. In December, 1910, Taft announced his approval of unlimited arbitration, which placed the United States back in line with tendencies before 1899. Treaties were made on this basis as nearly as possible, and later under the Wilson administration the plan was carried further in the Bryan treaties.

The idea of an international court as a strictly judicial body, as distinguished from an arbitral body, developed slowly from the time of Ladd's plan down to the First Hague Conference. The tribunal established there was not judicial in character, although the American government preferred that type. The idea of an international court was advocated by Root and Roosevelt in the instructions to the American delegates to the Second Hague Conference (1907). A draft plan

for a Judicial Arbitration Court was drawn up but never ratified, although the Taft administration attempted to bring about a solution of the international differences. To Root, probably more than to any other one individual, must be given the credit for keeping this ideal before the country.

A League of Nations, which embraces the preceding ideals of arbitration and adjudication together with disarmament, constitutes the most complete ideal of world organization proposed. This phase of the problem was a long time in development in the United States. The Ladd plan of 1840 for a Congress of Nations associated with a Court of Nations is the most significant contribution of the early period. It became a basis of discussion among peace advocates in the United States and in international conferences. In the later period a definite project of a league did not take form until the World War period.

Roosevelt approached the problem from the standpoint of the creation of an international police force. In his fourth annual message 6 December, 1904, he made a defense of his military program as against disarmament on the argument that large armaments were necessary in the absence of an international police force. In his address in Norway 5 May, 1910, after his retirement from office, he shifted his stress somewhat in the direction of emphasis on an international police force. At the same time Congress had under consideration a joint resolution approved by Taft 25 June providing for the consideration of the possibilities of

creating an international police organization, of reducing military expenditures and of preserving peace. Taft soon shifted the basis somewhat and broadened the scope of such projects in speeches, 30 December, 1911, and 4 January, 1913. In his program, the arbitration treaties were the foundation of a plan for a world organization of nations which included the use of force when necessary to secure adjustments. This anticipated in a large measure the plan of the League to Enforce Peace, organized in 1915 under the leadership of Taft, Lowell and Holt. The World War crystallized ideas for a league of nations both in Europe and America. Wilson endorsed the idea presented by the League to Enforce Peace in an address 27 May, 1916, and also formulated his Pan-American plan. Congress announced a policy of international peace and disarmament in the naval appropriation act of 29 August authorizing and requesting the president to call a conference not later than the close of the European war to bring about some organization for international peace. On 18 December Wilson sent his war aims notes to the belligerent powers in which he endorsed the idea of a league of nations and expressed a hope "that an interchange of views would clear the way at least for conference and make the permanent concord of the nations a hope of the immediate future, a concert of nations immediately practicable." Such was the American historical background of the ideas of international organization. Wilson's permanent contributions to the problem were, first, to synthesize

American and European ideas into a concrete plan which served as the basis of action at the peace conference, second, to insist that a permanent international organization was of greater importance in providing machinery for administration and adjustment of world affairs than the specific terms of the peace which at best would be unjust and more or less temporary, and, third, to insist on the immediate organization of the League of Nations.

6. DEMOCRACY

In the preceding sections on industrialism domestic economic development has been indicated, together with its influence on foreign trade and foreign political policy. In this section there remains to be traced the main features of domestic history after 1887, including some consideration of the internal reactions of imperialism. Certain questions have been raised from time to time from various sources as to the influence of imperialism on American institutions. Without attempting to answer any of these it is not out of place to state some of the leading problems presented; first, increase of the power of the executive through the conduct of foreign relations, second, confusion of issues between political parties with a tendency to weaken the party system because of injection of questions of foreign policy on which it would be politically inexpedient for a party to take any but a 'patriotic' nationalistic view, third, the retarding or postpone-

ment of domestic reforms because of the absorbing interest and necessity of decision on problems of foreign policy, fourth, the apotheosis of the industrial system as the foundation of national greatness at the expense or to the exclusion of the traditional conception of political and moral ideals of the American spirit.

The population of the United States exclusive of the dependencies increased from 62,622,250 in 1890 to 91,972,266 in 1910 and 105,710,620 in 1920. This represents an average decennial increase of about 21% or a retarding of the rate of growth as compared with the preceding period. The same tendencies manifested earlier in population movements continued, but with a more striking emphasis on the movement from rural to urban centers. In the census of 1910 the distribution was given as 53.7% rural and 46.3% urban, while in 1920 the figures were 48.6% rural and 51.4% urban. Considering that the census classes all towns of less than 2500 population as rural, it is evident that the figures tell only part of the story. The urban population was in the overwhelming majority.

Immigration reached its high point in 1907 with a total of 1,285,349. The tendency shown about 1890 of a relative increase in immigration from the south and east of Europe over northwest Europe became the most conspicuous fact in the character of the foreign element in American population. By 1914 the Italians led with 296,414 for the fiscal year ending 30 June, Jews were second with 138,051, and Poles third with 122,657. And whatever personal opinion may be held

as to free or restricted immigration policy, it is impossible to make a survey of the various lines of creative work in America without being impressed by the number of names of non-Nordic stock in the highest ranks of contributors to American civilization and culture.

The tendency in the social group toward division into classes became more conspicuous and the drawing of class lines more definite than ever before. While it is easy to over-emphasize this feature of class cleavage, it is just as serious to under-estimate or ignore it.

The organization of business men for business purposes into employers' associations and manufacturers' associations was a continuation of a marked characteristic of the earlier period. The organization of manufacturers of a particular branch of industry in the form of trade associations was a newer development. It was their function to provide a medium for exchange of information of interest to the trade regarding materials, costs, processes, trade practices, etc. Such information was furnished only to the membership, and in some cases became a means of indirect, if not direct, price-fixing in the trade. In this aspect it was in effect a form of industrial combination, and a step toward industrial self-government. During the World War this organization of industry in trade associations was invaluable in the mobilization of industry and was encouraged by the government. However, the Supreme Court (1922) declared the Hardwood Manufacturers Association a violation

of the anti-trust acts, stressing the price-fixing aspect of the organization.[1] Chambers of commerce, being predominantly metropolitan in character, were active in promoting the industrial and commercial interests of particular trade areas, but from the national standpoint, through correspondence and organization, their scope constantly broadened in vocalizing their interests in national politics and administration. In 1912 the Chamber of Commerce of the United States was organized, and among its activities began the publication of a periodical *The Nation's Business.*

The consideration of organized business men is incomplete without pointing out the organizations for social purposes among themselves and for civic betterment and social service in their respective communities. This movement grew to considerable proportions toward the end of the period. The City Club and later the Athletic Club and to a certain extent the Y. M. C. A. furnished a new type of meeting place. The National Civic Federation was organized in 1900 by business men for the purpose of bringing about better relations between business and the public, especially labor. Hanna was a conspicuous character in this movement, and the American Federation of Labor affiliated with it and gave it support. The Rotary Clubs (national, 1910), the Kiwanis Clubs (national, 1916), and the Lions Clubs (1916) represent most fully the latter developments of the civic betterment and

[1] Court decisions in 1925 modified this ruling, giving trade associations a new lease on life.

social service movement. In this respect it was their function to organize business men behind such projects. In another respect these organizations illustrate in a most flagrant form the American tendency of seizing upon a popular idea or movement and institutionalizing it.

The American Federation of Labor, reorganized in 1886, took the place of the Knights of Labor as the outstanding labor organization. Instead of admitting the individual laborer to membership as the Knights had done irrespective of crafts, the Federation was just what its name indicates, a federation of trade unions. The individual laborer was a member of his trade union, and the union was affiliated with the Federation. On the whole the more conservative element maintained control under the leadership of Samuel Gompers, but the contest resulted in the splitting off of the Industrial Workers of the World in 1905. The I. W. W. was based on the idea of individual membership, in that respect resembling the form of organization of the Knights of Labor but with altogether a different program. The I. W. W. in turn split in 1908 on the question of policy, direct or political action, the direct action group retaining the original name. In America labor did not form a separate political movement, nor did it adopt the socialistic program, although the tendency in later years was in that direction, but nevertheless it exercised a growing political influence through the endorsement of the Democratic party by the Federation after 1906.

The Federation represents the organization of the upper strata or aristocracy of labor, the skilled artisan, with some additions from the semi-skilled. It did not offer a program for the semi-skilled or unskilled laborers. This had a profound effect on the labor situation and emphasized the charge that the Federation represented at most only a minority of labor. Its political philosophy was essentially *laissez faire* or conservative in that it opposed government interference in labor problems, asking chiefly that the unions be recognized and strikes, picketing, and boycotting specifically legalized in order that it might carry on unhindered collective bargaining with the employers. Certain phases of liberal legislation, such as did not interfere with its own activities or status, were advocated. The crisis over the question of policy in 1905 which resulted in the secession of the I. W. W. brought out an important aspect of the labor situation. The unskilled and much of the semi-skilled labor insisted on more equality among laborers, coupled with a socialistic program. The movement grew until in alarm the Federation considered steps (1912) toward meeting the competition of the radical elements. The semi-skilled or middle-class labor showed a tendency toward a socialist industrialism and were to a considerable extent sympathetic toward the socialist political party. Among the unskilled the movement for complete equality in one big union gained considerable hold and was represented in the I. W. W. and especially

the syndicalist wing which stood for direct action as opposed to political action.

While historic parallels cannot be pushed too far, the comparison between the slavery question and the labor question is too striking to ignore. The former movement was to free slave labor from chattel slavery, while the second was to free *free* (*sic*) labor from wage slavery. The anti-slavery movement, which accepted the theory of property in slaves but with regulation and limitation of slavery, is similar to the trade union movement which recognized the capitalistic system, private property, and the wage status of labor, but with safeguards. The abolition movement which refused to recognize the right of private property in slaves is parallel to the socialist movement which similarly challenges the right of private industrial property and the whole wage system, and the aim of these movements in both cases was to destroy the respective systems. Both were attacks upon the concept of private ownership of instruments of production. Abolition split on the question of method into political action of the Liberty party on the one hand and direct action of the Garrisonian-John Brown type on the other. In the same manner socialism split on the same question of political or direct action, the socialist party representing political action, and the I. W. W. direct action. Outside the limits of the old Southern confederacy, Garrison, who nearly lost his life at the hands of a mob in Boston in 1835, became

a national hero, as also did John Brown. Is it possible that Bill Haywood and the I. W. W. will receive a similar canonization within another century?

William Lloyd Garrison was editor of the *Liberator,* the organ of the direct action abolitionist, and his grandson Oswald Garrison Villard is editor of the New York *Nation,* a liberal socialist periodical. Again one must be reminded that historical parallels cannot be pushed too far, but the parellel between slave labor and wage labor is suggestive to those who are more than superficial readers of history.

In the slave labor controversy the active reform agents were third parties who intervened between the slave and his master. In the wage labor controversy labor has been largely under the necessity of conducting its own case. The movement for the abolition of the slave system has broadened its scope into a movement to modify or abolish altogether the wage system. Whether in the slave labor or the wage labor system, the master or employer reaped the benefits of the work of the laborer, and on the other hand in either system, the laborer has on the average received merely a subsistence—the bare necessities of life. It is the ideal of the labor movement as it was of the anti-slave and abolition movements that the laborer receive a fair share of the product of his labor and of the benefits of the civilization which he helps to produce.

The agrarian movement, while persistent, did not show unity of development. The Farmers' Alliances

of the eighties produced Populism as a political movement. It was this movement more than any other single one which marked out the main lines of liberal reform after 1890. Too much stress has been placed on the silver plank in the Populist and Democratic platforms of the nineties, with the result of overshadowing largely what proved to be the constructive features of their programs. The unusual prosperity of the years immediately following the Spanish War brought a reduction in agrarian discontent, but not for long. The renewed agitation after about 1905 changed the points of emphasis somewhat in the direction of marketing problems, rural credits, etc. The Equity movement and the Non-Partisan League centering in North Dakota were constructive attempts at solution of those and related problems. From the wider viewpoint, the later agitation accompanied by the revival of farmer organizations resulted in renewed interest and more successful experiments with coöperative buying and selling. The distinction between the two became clearer. Coöperative buying could be organized on the basis of the community as the unit, but successful coöperative selling must be organized on the basis of the product. Scientific agriculture, through the instrumentality of the agricultural colleges and experiment stations, brought results as never before. For the first time power could be practically applied to farm machinery and production by the use of the gas engine. Electric interurbans, rural free delivery, telephones, and the automobile served to bring

the rural and urban economic systems into closer and more harmonious contact.

The further development of industrialization was an outstanding cause of the multiplication of professions and vocations requiring a specialized training. The newer professions of the previous period were differentiated and more fully defined, such as chemical, electrical, mechanical and industrial engineers. The emphasis on the social aspect of industry and government created new opportunities as labor advisers, agricultural advisers, municipal experts, social, and charity workers, efficiency experts, etc.

Education showed still further the influence of the development of the specialist, and the purpose of educational institutions became more and more to train for vocations and professions. To many Americans the ideal service to be rendered by the free public school was to give their children an education that might relieve them of the hardship and labor experienced by their parents, especially that it might relieve them of the necessity of manual labor. An important, and unintended, psychological reaction of this attitude was to perpetuate and emphasize the stigma attached to manual labor. As the economic or vocational aspect of education was emphasized the cultural aspect was relatively minimized.

The normal schools of the previous period became schools of education, which made themselves centers not only for the training of teachers in pedagogy but also centers for experiment and propagation of new

educational theories. By the close of the period these schools became a powerful factor in the whole field of public education. Elementary school methods were largely recast, sometimes radically, but secondary and higher education showed less extreme changes, developing new methods more by the process of evolution. Vocational education was widely introduced into the elementary and secondary schools. Previously vocational or professional education was more a problem of higher education, but industrialism, imperialism and more complicated civilization emphasized its introduction into the lower divisions.

During the eighties and nineties especially, the systematic study of history and the social sciences developed on a relatively large scale in the large universities, and this was to have a profound influence on the period. The work of the historian, political scientist, economist, sociologist, and the psychologist was largely responsible for the rapid change in the point of view of the public on the problems presented by social phenomena. A fairly intelligent understanding of these problems on the part of those who mold public opinion was of tremendous importance in guiding public action and these influences are reflected most clearly in the history of the demands for reform and for remedial legislation after the Spanish War.

In education, as in so many other phases of the period, there appears the tendency to the development of a highly organized and centralized educational administration with the accompanying standardization

for mass production so familiar to industrialism. Such development was to be expected. The graded elementary school became the prevailing system except in some rural districts. It prepared directly for the public high school which before the end of the period was available in all but the more backward or sparsely settled communities. The high school prepared for the state universities, completing a fully articulated system in most of the states. The Prussian school system was the model from which this organization was copied. Such organizations as the National Educational Association (1857) were not satisfied with this system of uniformity, but insisted on national uniformity under federal supervision. Questions arise as to the meaning of these tendencies. How far can the process go without intelligence and freedom of thought abdicating in favor of mere organization and uniformity? To what extent has and will such organization become an instrument of nationalistic and other propaganda as it became in France, Germany and Russia? To what extent are these educational developments reactions of national imperialistic rivalries?

The church has often been criticized for not adjusting itself adequately to changing conditions for the performance of the functions which it assumes as its province, and there is a large measure of truth in the criticisms. Religious beliefs and prejudices are among the last elements in a civilization to change. However, if the church of the eighties is compared with the church of the period just prior to the World War, the

change is striking. The doctrines and contacts were clearly modified in the direction of the appreciation of economic and social problems. Religion is the attempt on the part of man to find an explanation of his own existence and his relation to the rest of the universe. It has often been pointed out that man creates God in his own image, which is only another way of saying that religion, and the church as the institutional aspect of religion, are the product of civilization, and a civilization is often measured largely by the quality of its religion. The teachings of the physical, biological, and social sciences gradually permeated the concept of religion to such an extent as to revolutionize its content except in the strongholds of ignorance and prejudice. Disregarding denominationalism, there were three main aspects of religious thought. First, what has come to be called fundamentalism (conservatism) which stood for the strict and literal interpretation of doctrine. Among Christians, it emphasized the theology of historic Christianity (Paulanity, together with the glosses of the Church Fathers and later theologians and commentators) as a preparation for the world to come. It is evident that this group should not be so vitally interested in the present world and the remedial work of socialized religion. At the other extreme was the religious liberal or radical who discarded more or less entirely the historic religious doctrines. The cardinal principle of his religious system was the freedom of the individual to determine his own religious life taking his ideas freely from the best

contributions of various religious systems or basing them upon the conclusions of modern philosophy, science, and history. It probably presents the fullest expression of socialized religion. The leading representative group of this type was the American Unitarian Association. In the middle ground was the modernist whose position was one of compromise, taking as the background the historic conceptions of institutionalized Christianity and attempting to interpret them in the light of modern learning. From the standpoint of historic Christianity the fundamentalist had the best of the argument, but from the standpoint of modern knowledge and existing conditions the position of the liberal was correct because it frankly met the challenge of the facts. The compromising modernist is always in an embarrassing situation when put to the test of either logic, science, or history, although from the standpoint of expediency, in view of religious prejudices, his position was the most practicable.

The religious papers of the later eighties and nineties debated the question of whether ministers should discuss economic and social problems. The prevailing opinion usually was that such subjects did not belong in the pulpit, which it was said should be devoted to the preaching of the Gospel, to inspiration which would lift the thoughts of the people above the problems of everyday life to a contemplation of higher things. One important argument was often advanced to the effect that the ministry was not educated in

problems of economics, sociology and politics and was therefore not competent to discuss and solve such questions in twenty to thirty-minute sermons. This argument is quite significant of the state of ministerial education of that day as it is said that only two divinity schools in the United States in 1887 (Harvard and Andover) had any course in their curricula dealing with the relation of religion to the economic and social order. This situation changed during the nineties and particularly after the opening of the twentieth century. Several of the churches adapted or created departments for consideration of these questions. The strikes of 1886, 1892 and 1894 together with the disorder accompanying them created a hysterical fear for the future of American property, institutions and civilization at the hands of anarchist and socialist laborers. Systematic study of economic and social problems under the leadership of such men as Richard T. Ely gave a better understanding and appreciation of the importance of serious consideration and coöperation in making adjustments. The Methodist Episcopal General Conference Committee on the State of the Church had to give some consideration to the problems beginning in 1892 because of the numerous memorials received on the subject, and later the church organized the Federation for Social Service. The Protestant Episcopal Church, which had not taken much interest in the anti-slavery and temperance movements, was early in recognition of this problem, partly due to English influence, and organized a standing commit-

tee on Church and Labor (1901). The Northern Baptists organized a Social Service Commission, the Congregational Church a Social Service Department, the Presbyterian Church a Department of Church and Labor (1903). The Methodist Episcopal Church was the first to make a general statement of principles in regard to the relation of the Church to industrial problems in the General Conference of 1908, and later in the same year the Federal Council of Churches of Christ in America, including thirty-three Protestant denominations, was organized at Philadelphia (December, 1908) where the Methodist program became the basis of discussion for a declaration of that body. This declaration was adopted by the Congregational Church in 1910, and with additions by the Northern Baptists in 1911, but the American Unitarian Association went furthest in adding planks on housing, care of dependents and criminals, pure food and drugs, recreation, international peace, abolition instead of abatement of poverty, and the extension of the machinery of democratic government.[1]

The newspaper as a type of profitable business enterprise grew to undreamed of size and with its growth the profession of journalism developed in a new form. The news element more than ever tended to crowd out the older idea of the editorial function, and the Sunday edition with its feature section, comic section, and magazine section, became almost an American

[1] Rauschenbusch, Walter. Christianizing the Social Order. New York, Macmillan. Chapter 2 gives some material.

institution. In the periodical press an even greater change was manifested in the development of the popular magazine. During the nineties the methods of sensational or yellow journalism were gradually adapted to the periodical field and with the revival of the critical attitude toward big business after the Spanish war editors and publishers utilized the opportunity to develop the literature of exposure, partly from a desire for reform and partly from a desire for increased circulation. After establishing themselves in popular favor most of these magazines became more or less conservative. The book press reflected much the same characteristics in supplying the demand for cheap and popular fiction.

The stratification of society into more clearly defined classes and groups has produced a tendency on the part of those classes and groups to act as units in accordance with their respective interests. The farmer came to wield his power through the agency of the Farm Bureau, which established headquarters at Washington and card indexed all members of Congress, filing information as to the wishes of the farm bureaus in each member's district for use in influencing their votes on pending legislation. The action of the members was in turn reported back to the local bureaus. The American Federation of Labor maintained its legislative committee at Washington, and after 1906 endorsed parties or candidates promising the most favorable terms. The activity of these groups excited considerable unfavorable comment, but the principle was

not new. Manufacturers and trade associations had been exerting organized influence on legislation for many years. Too much emphasis has been placed upon geographical sectionalism in American history. Class and group interest is more basic. Sectionalism is in reality merely a manifestation of interests which are local in scope. When economic organization was relatively simple and limited by conditions of transportation and communication, there was a stronger argument for using the sectional treatment, but with changed conditions sectional interest was gradually giving way to nationally organized class and group interest. While probably nothing was further from their intentions, this change was clearly a drift toward sovietism, and is an example of the unconscious development of tendencies in historical evolution, which, in this particular case, may or may not crystallize into institutionalized forms.

In the light of the foregoing analysis of the social group and changing economic, social and political conditions, a rapid change in political theories is inevitable. After the enactment of legislation asserting and exercising government control, the conservatives were under the necessity of modifying their political theory to meet the change, but they still emphasized the freedom of the individual and the minimum of government interference in private concerns. The liberal theory drifted further in the direction of socialism, and socialism itself had developed to a point where the discussion of it was tolerated by most people and seri-

ously considered by many. The advocates of each of the theories interpreted their respective theory as representing true democracy. It is of particular interest here, in tracing the history of the period, to note the extent to which the country endorsed these interpretations. Relatively, the liberal and socialistic theories are of much greater importance than in the earlier period. In fact, before the close of the period the dominant note was the demand that machinery be devised and adopted which would make government more directly responsive to change in conditions and in public opinion.

It is out of the question for the historian to give complete endorsement to any political theory. All idols apparently have clay feet. This follows naturally from the character of the problem. As previously indicated, many liberal political ideas originate as programs for the redress of particular grievances, regardless of consistency in all cases with other aspects of the political theory of the same group. Furthermore, in order to devise a perfect theory of government it would be necessary to have a universe organized on a teleological plan. Advocates of the concepts of progress or perfection assume that the universe is so organized, and they arbitrarily posit their ideal and shape their programs to that end. Such procedure is essential to the existence of such theories as there must be a standard or ideal by which to measure progress or approach toward perfection. The ethical concepts of right and wrong in such systems depend therefore upon

whether the particular program or act does or does not contribute to the attainment of the ideal. Unfortunately, however, for such a position there is as yet no adequate scientific foundation for a teleological system of philosophy, and neither is there any generally or universally accepted ideal or goal toward which to direct reforms. Capitalism, for example, assumes one scheme of social organization, while communism assumes the opposite. The most that can be said is that history reveals some general tendencies in some lines of development, but whether those tendencies will continue to develop indefinitely in the same direction in the future is problematical. It is also a mistake to think of solutions of problems in relation to the historical and social sciences. In mathematics one may find a solution for a problem which will always remain true. The concept of finding a solution for a problem belongs to a system of statics. The historical and social sciences are applied to a system of dynamics, a world of change. No sooner would a so-called solution be discovered or applied than change would modify the conditions and the solution would no longer remain true. Much of the world's pessimism and disillusionment arise from these misconceptions, because unreasonable hopes are raised by various panaceas which of necessity must fail of realization; hopes based on false assumptions and supported by confused thinking and prejudices and threadbare traditions. The only facts which bear on this matter of which the historian can be reasonably certain are change and relativity of all

knowledge studied in relation to the behavior of the human race. Programs of reform and theories of government, therefore, are at best only tentative schemes for preserving the most satisfactory adjustments within a world of constant change, of relativity, and of increasing complexity. It is only in this aspect of change and relativity that the historian can view his problems, whether of politics, economics, sociology, ethics, science, philosophy, or religion. There is probably no important political theory from extreme conservatism on the one hand to extreme syndicalism on the other but may contribute some constructive elements necessary for the preservation of the adjustments of modern civilization, and it is equally probable that there is no one theory which can in itself accomplish that end.

Financial problems in the form of money, banking, and tariff were most persistent and difficult of solution. Conflicting interests of economic groups, whether manufacturing, commercial, agricultural or labor, made consistent application of any one policy impossible. The economic maladjustment exaggerated the inadequacy of the country's financial institutions. While the greenback solution of the money question persisted, silver received most support. The Populist party presented a scheme for utilizing farm products as a basis of credit.[1] The orthodox economist and business man could not accept such solutions, as the trend of the times the world over was toward the gold

[1] Compare with the Farm Credit Act. March, 1923.

standard. In order to maintain sound American finance, it must be in accord with the prevailing practice of the leading financial and commercial nations, and especially in the light of foreign commercial competition. Under these circumstances sound money had come to mean gold. The accident of great gold discoveries and unparalleled industrial and commercial expansion relieved the situation to such an extent as to make possible the adoption of the gold standard in 1900. In the controversy it was not really a question of the silver factions being wrong in their analysis of financial evils. On the whole there was much of truth in their contention. The real difficulty was that their program of reform was not in accord with the prevailing ideas of the time. Except for silver itself, practically the whole of their program found its way, in a modified form, into law.

The conservative attempts of the McKinley-Roosevelt administrations to adjust the national bank system and national bank notes to the situation through administrative orders only served to throw into stronger relief the hopeless inadequacy of the existing banking institutions and the lack of constructive statesmanship. The violence of the panic of 1907 impressed upon the country the absolute necessity of thorough reorganization of banking and of currency reform. The Aldrich-Vreeland Act of 1908 was purely a campaign gesture. The Federal Reserve Act of 1913 made the necessary reorganization and was to a considerable degree a liberal victory. The control of the system was placed in the

hands of a federal board, which made for stability and unity of policy in banking and which regulated the issue of paper currency, providing for expansion and elasticity of the currency to meet the fluctuating volume of business. Here the national government responded at last to the argument which had been at the basis of the greenback and anti-national bank agitation; a more direct national control over banking and the issue of money, and also of a method of adjusting the volume of money to the needs of the country.

Tariff showed little that was new except the modification of protection in the direction of bargaining clauses. Selfishness of special interests was its chief characteristic. The increasing activity of the senate was noteworthy, and even more so was the development of the conference committee as an extra-constitutional body for giving tariff measures their final form. The Roosevelt administration made no tariff reform and moreover considered it unnecessary. Roosevelt characterized the demand for downward revision as "not an actual need, but a mental condition" and Lodge and Aldrich agreed with him.[1] Taft began the public advocacy of downward revision in 1906. After his election to the presidency and in accordance with Roosevelt's suggestions, he came to an understanding with the Republican leaders on a well rounded program of moderately progressive legislation to meet the promises of the Republican platform on tariff, trusts,

[1] Roosevelt-Lodge Correspondence. Roosevelt to Lodge, 15 May, 1909, and Lodge to Roosevelt, 30 June, 1909: Roosevelt to Lodge, 26 July, 1909.

railroads, conservation, etc. The party leaders failed to make the moderate reductions agreed upon in the tariff, but the President accepted what he could get in order that the party leaders could not have an excuse for breaking faith and for abandoning the remainder of the program.[1] Though a liberal measure was secured in the income tax amendment, the corporation tax adopted, and some reductions made, the average tariff rate was raised. The insurgents showed both bad judgment and bad generalship or the result might have been more favorable to the liberal program. Republican insurgency and the Democratic party protested extreme protection, and Roosevelt, after first approving the tariff, later joined in the general denunciation. It was not until the Underwood tariff of 1913 that there was any substantial revision downward, but in that act the Democrats frankly accepted the competitive protection principle.

The graduated income tax and the revenue act of 1916 went still further in the direction of shifting the burden of taxation from a tax on the consumer to a tax on wealth; a tendency which illustrates the influence of socialistic theories. From the standpoint of public revenue these new features are also of significance. A change was taking place which was transforming tariff measures into general revenue measures. The federal government had formerly depended on customs duties as the principle source of revenue,

[1] Taft to Horace Taft stating his reasons for signing the Payne-Aldrich Tariff. Dated 27 June, 1909. Printed by Kohlsaat in the Saturday Evening Post, 30 September, 1922.

except in war time. A disturbance in the importation of foreign goods tended to upset all calculations respecting government income. In case of deficit it was no easy matter to adjust rates to secure the necessary increases without causing business disturbances and uncertainties always attending a revision of the tariff. However, with a broader basis of taxation, drawing revenue from widely differing sources, as incomes, corporations, and inheritances, the government income would become more stable and easier of adjustment. Here again the American government was following European precedents of long standing.

The principle of federal control of interstate commerce by a commission was established by the act of 1887, although conservative interpretation robbed it of most of its power. After 1903 more active effort was made toward effective control, although no new principles were introduced during the Roosevelt administration to secure that end. It was not until the Mann-Elkins act of 1910 in the Taft administration that the commission was given effective rate making power, by placing in the hands of the Commission the authority to act on its own initiative and by placing the burden of proof of "reasonableness" upon the carrier. As a result of the judicial doctrine of "reasonableness" and "fair return," the next important step was the granting of authority to the Interstate Commerce Commission, 1 March, 1913, a La Follette measure, to make a physical valuation of railroads as a guide to rate determination. The jurisdiction of the federal

government was extended over all types of interstate carriers during the latter part of the period by act of Congress, and to a great degree over intrastate carriers and their administration by judicial interpretation. The extent of the change resulting from this legal revolution through constitutional interpretation is brought out by contrasting *Peik v. The Chicago and Northwestern Railroad* in 1876 with the Minnesota rate cases in 1913, the Texas-Shreveport case in 1914, and the Kansas City Southern case in 1913. In the first case it was held that a state might regulate, not only intrastate commerce, but also interstate commerce within its borders until the federal government occupied the field. In the Minnesota rate cases and the Texas-Shreveport case, it was held that the federal government might regulate, not only interstate commerce, but also intrastate commerce where intrastate rates had a bearing on interstate rates. In the Kansas City Southern case it was held that the Interstate Commerce Commission might regulate even the internal administration of the carrier.

The transportation and communication problem had broadened by this period till it is necessary to include a discussion of policy respecting other agencies than railroads. The automobile emphasized the need of hard-surfaced roads till in 1916 a federal road act was passed by which the government embarked upon a policy of subventions to the states for the purpose of road building under the pretense of maintaining post roads. The telephone, telegraph, cable and wireless were brought

under the Interstate Commerce Commission by the Mann-Elkins Act (1910). Wireless or radiotelegraphy was later placed under the authority of the Department of Commerce (1912), and regulated by the license system. It was also subject to the provisions of an international treaty to which the United States was a party.

There were three general policies for dealing with the trust problem; *laissez faire,* extermination, and regulation. The *laissez faire* policy assumed that great combinations were the natural product of modern industrial evolution and that an equilibrium would be maintained through competition and new developments in the industry. The adoption of anti-trust legislation by both the states and the nation about 1890 relegated this theory to the discard as a practical consideration. The extermination policy assumed that great combinations were artificial and injurious to society and should be destroyed in order to maintain free competition. It should be noted that this policy is based on the prevailing economic theory of free competition. The intervention of the government was more to maintain free competition between individuals than to exercise a general regulation over the individual. The Sherman Anti-trust Act putting into statutory form the old English legal principles of restraint of trade and monopoly exemplified this idea. The third policy is in the main a compromise between the first two. It accepts from the first policy the principle that integration of industry is a natural development, but

also accepts as much of the second policy as insists on the intervention of the government, in this instance, to regulate the conduct of these great combinations to insure fair trade practices. Mark Hanna formulated this policy clearly in the trust plank of the Republican platform in 1900, and Roosevelt popularized the idea somewhat by the slogan "the square deal" by which he characterized his policy of distinguishing between the good trust and the bad trust. The Democrats endorsed the policy in the federal license plank in their platform of 1908.[1] Taft urged the policy in connection with the corporation tax in 1909 and in more definite form in his recommendations to Congress in 1910, urging the passage of a voluntary national incorporation law. This proposal was similar in principle for industrial corporations to the national bank act of 1863 for national incorporation of banks.

In the federal control of industrial corporations, except for the Bureau of Corporations (1903), and the corporation tax no new principles were added to the original act until the passage of the Federal Trade Commission Act in 1914. This act was an application to industrial corporations of the regulation policy which had been gaining support steadily and of essentially the same principles of control and administration by government commission which had been inaugurated in regulating railroads in 1887. The emphasis was placed upon regulation and prevention

[1] Bryan had proposed the federal license as a means of regulating trusts as early as 1899.

rather than upon mere punishment for violation of law. The Clayton Anti-trust Act, drafted at the same time, was based to a considerable extent upon the extermination theory. Many Democrats and insurgent Republicans still looked back to anti-trust theories of the nineties or else failed to understand the inconsistency of the two policies.

The national government did not seriously attempt solutions of rural problems as such until near the close of the period. The Department of Agriculture was reorganized in 1901 and federal aid to experiment stations and to agricultural and mechanical education was extended by the Adams Act (1906), the Nelson amendment (1907), and the Smith-Lever Act (1914). A really significant move was the establishment of the States Relations Service in 1915, making it possible to bring the government and the farmer into direct relations through the medium of the county agent and the Farm Bureau. The Federal Reserve Bank system was designed primarily to serve urban economy and only indirectly served to relieve rural difficulties. One concession was made to the agricultural credits problem, which permitted certain national banks to make limited loans on real estate security. The banks, however, did not respond to a great extent because commercial business was more profitable and desirable. The Farm Loan Act of 1916 was the first direct attempt at a solution of the problem of long time rural credits.

As the American Federation of Labor was the most powerful organized influence representative of labor,

its relation to politics and the national government is of greatest importance. It held to the theory of not becoming a political party, but it did exercise political influence. In 1895 a National Legislative Committee was established to manage legislative interests, and in 1906 the Labor National Non-Partisan Political Campaign Committee was established with the purpose of rewarding friends and punishing enemies. The basis of action was to give political endorsement to the party or candidates promising the most approved labor program. In 1906 and thereafter the Democrats were endorsed. This move had important reactions in the congressional elections of 1906 as Roosevelt made a call for the election of a Republican Congress and made special efforts to defeat labor-endorsed candidates in New York, Massachusetts, Maine and Idaho. He supported Littlefield in Maine particularly, although he had been one of the most stubborn opponents of railroad legislation while the Hepburn bill was pending during the same year. The campaign in Idaho he characterized especially as a fight for civilization as the fight was against the Western Federation of Miners.[1] On the whole labor endorsement of candidates did not accomplish as much for labor as was anticipated.

The Socialist party, organized in 1900 by Eugene V. Debs, was the outgrowth of several previous attempts at Socialist political organization and drew

[1] Roosevelt-Lodge Correspondence. 12 September, 22 October, 25 October, and 7 November, 1906.

most of its support from labor groups. It increased in membership and support until in 1912 it cast 897,011 votes.

The outstanding political problems of organized labor were those associated with the question of legal status of unions and their activity, particularly as it was brought out in the Danbury Hatters case. The Clayton Anti-trust Act included provisions which were designed to meet some of these problems. It declared that labor was not a commodity or article of commerce, that strikes, picketing, and boycott were not illegal, that labor unions were exempt from the operation of the anti-trust laws, and prohibited injunctions in labor disputes except to prevent irreparable injury for which there was no remedy at law. In the light of judicial decisions in the Coronado Coal case (1922) and the Daugherty injunction (1922), it is difficult to estimate the full effect of these provisions; nevertheless, the principles were definitely recognized in the statute. In the peaceful settlement of labor disputes which involve interstate commerce, distinct advance was made. Cleveland's Act of 1888 was replaced by the Erdmann Act of 1898 and that in turn by the Newlands Act and the machinery of the Department of Labor in 1913.

The demand for restriction of immigration increased as immigration shifted from north Europe to south and east Europe and Asia. The Chinese exclusion was maintained contrary to the spirit of treaty relations, and Japanese exclusion was begun under the terms

of the "gentlemen's agreement" which postponed rather than settled the Japanese problem and sowed the seeds of misunderstanding. The question of general restriction was the subject of several bills providing for literacy tests, which were passed by Congress and vetoed by the President. In 1917 such a bill was passed over the President's veto. Labor was very active in urging these measures, but to an ever-increasing degree the issue was broadened into the nationalistic argument of the protection of American ideas and institutions and the support came from the extreme nationalist groups.

The national government broadened social policy to include legislation similar to that which had become so conspicuous a feature of European social programs, but only moderate advance was made, partly because of the constitutional limitations imposed by the courts. Social legislation could be enacted only indirectly through utilization of constitutional provisions granting federal control of interstate commerce, taxation, post office, and treaties with foreign powers. The extent of such legislation in this period is in sharp contrast to that of the earlier period and confirmed the emphasis already placed on the importance of the social as well as the economic point of view.

The regulation of child labor was attempted in the Beveridge Bill of 1906 which failed to pass. The Children's Bureau in the Department of Labor was created in 1912. The Keating-Owen Act approved 1 September, 1916 was declared unconstitutional in 1918

and a second act was passed in 1919 and again declared unconstitutional in 1922.

Workmen's Compensation went through much the same tests but was finally successful. The act of 1906 was declared unconstitutional in 1908 and a second measure was enacted in the same year. It was upheld by the court in 1912.

Legislation on the subject of safety appliances and dangerous trades began with the act of 1893 applying to railroads and was extended in 1903 and upheld by the court. The manufacture of phosphorus matches was outlawed in 1912 by imposing a prohibitive tax on the product itself as dangerous to public health.

Regulation of hours of labor on railroads began in the sixteen hour maximum act of 1907 and was upheld by the court. The eight hour act became law in 1913, also applying to railroads. In the merchant marine the La Follette Seamen's act of 1915 regulated drastically the conditions of labor.

Regulations for the preservation of public morals, which were exercised through the control over mail matter before 1895, was extended under the interstate commerce clause in that year for more effective control of lotteries and was upheld by the court in 1903. Regulations prohibiting the circulation of obscene literature, etc., were also extended under the commerce clause in 1897 and 1905 and upheld by the court in 1899. Furthermore, the United States became a party to an international agreement in 1910 for prohibition of such traffic between nations. Prohibition of traffic in

persons for immoral purposes was provided for in the immigration acts of 1907 and 1910 and in the Mann Act of 1910. Under the treaty power the United States ratified in 1908 an international agreement of 1904 for a similar purpose.

Public Health Service was developed on the foundation laid in the previous period. Various suggestions were made for creating a new executive department with a seat in the cabinet, but all failed. The last important legislation was that of 1912 which reorganized the Public Health Service but left it as a division of the Department of the Treasury. The United States also became a party to three international sanitary conventions, one general agreement concluded in 1903 and ratified in 1907, the second for creating the permanent International Office of Public Health concluded in 1907 and ratified in 1908, and the third a sanitary convention applying only to the western hemisphere included in 1905 and ratified in 1909.

Pure food regulation of the previous period applied only to special enumerated articles. This type of legislation was extended in this period in the cheese act 6 June, 1896, the tea act 3 March, 1897, and the oleomargarine act 9 May, 1902, which made that article subject to state regulations. The more significant aspect, however, was the development of the movement for general legislation on the subject of pure food as a whole. This was carried out in the branding and labeling act of 1 July, 1902, and in the pure food and drug act of 30 June, 1906, and the meat inspection

rider on the agricultural appropriation act of 30 June, 1906, together with subsequent amendments.

The regulation of intoxicating liquor by the federal government began by the release of certain aspects of control over interstate commerce in favor of the states. The first step was the Wilson original package act of 6 August, 1890, which made all intoxicating liquor subject to state regulation whether in the original package or otherwise. The Webb-Kenyon act of 1 March, 1913, went further by the federal government prohibiting the shipment of intoxicating liquor from one state into another, in violation of state laws. The prohibition amendment to the constitution, proclaimed 29 January, 1919, marks the high point of the movement.

The postal service was expanded to provide additional economic and social service by several acts. In 1896 rural free delivery of mail was begun. In 1910 the postal savings bank system was created and in 1912 the parcels post service was established.

The national aspect of education is represented particularly in the agitation to reorganize the Bureau of Education into an executive department with a seat in the president's cabinet. These attempts were not successful. Federal interest in agricultural and mechanical education has been referred to in the section on agriculture but the broader demand for vocational education resulted in the Smith-Hughes act of 23 February, 1917, creating a system of federal aid for vocational education in the states supervised by a new

commission, the Federal Board of Vocational Education.

National parks and playgrounds came in for a share of public attention, especially under the stimulus of automobile touring. The Yellowstone National Park had been created in 1872, but without regular organization for administration. With the establishment of other parks the problem was met by the inauguration of the National Park Service under an act of 25 August, 1916. Also of social, economic and military importance was the Federal Aid Road Act of 1916 extending aid to and supervision over highway building.

The subject of conservation is one of the most disputed questions of the period. The civil appropriations act of 1888 and the land act of 1891 mark the beginning of federal action, Roosevelt's administration the period of advertisement and agitation, but Taft's administration the period of constructive legislation for systematic formulation of policy, classification of lands, and organization of the service. In view of the unfair treatment of most writers who mention only the doubtful features of the Ballinger episode, it is necessary to emphasize the Taft program of nine measures enacted and to point out that this program was endorsed in full by the National Conservation Association and coincided essentially with its program. Reclamation was inaugurated in the period previous to the conservation act of 1891, and after the act of 1902 made substantial progress, but here again the federal nature of the government created difficulties which re-

mained unsolved. John Wesley Powell, who has been called the Father of Reclamation, began his work on this subject during the eighties, but has not received the recognition to which he is entitled.

It was the ambition of many Americans especially after the Civil War to create a national culture, distinctive of American conditions and ideals, but by the time of the World War that ambition had not been realized. The United States did of course produce artists, musicians, writers, scholars of the first rank, but in art, music and science the highest achievement was usually considered possible only through training in Paris, Italy or Germany. In most branches of cultural development America looked to Europe for leadership as American universities, orchestras, opera companies, art galleries amply testified. Realistic literature showed only too evidently the influence of earlier productions of continental Europe, although in literature probably more distinctive contributions were made than in most other lines. The United States established its political independence through the American Revolution, its commercial independence came as a result of the War of 1812, its industrial independence grew out of the industrialization of the last part of the nineteenth century, its financial independence came as a result of the World War, but it would appear that its cultural independence was yet to be achieved.

The extension of national authority in various directions was accompanied by corresponding extension and

reorganization of administrative machinery. During the period three new executive departments were created to perform economic functions, and seven important commissions or boards to perform economic or social functions. It has been the ambition of several of these commissions, boards, or bureaus to become executive departments with a seat in the cabinet, but whether they did or not their authority was continuously extended. Civil service reform was continued extending the classified service in order to secure greater efficiency. The problem of departmental efficiency drew attention during Roosevelt's administration, and was emphasized especially by Taft. The Efficiency and Economy Commission, 1910-1913, was continued under the act of 25 March, 1913, and became the Bureau of Efficiency by the act of 28 February, 1916.

The liberal forces during the period had made use of the existing political machinery to force concessions from the conservatives and to institute their reforms. They also advocated various measures for the purpose of making such modifications in the political and governmental machinery as to deprive the special interests of their undue influence and control. Their aim was to make government more directly responsible to the people as a whole and more responsive to changes in public opinion. The specific remedies, many of which were adopted either by the states or by the nation, were secret ballot, direct election of senators, woman suffrage, direct primaries, presidential prefer-

ence primaries, initiative, referendum, recall, and reform of legislative rules and procedure. The movement in the direction of parliamentary government as represented in proposals that cabinet members be permitted to participate in debate and that finance be managed by a budget system, still remained in the formative state. The net accomplishment resulting from these reforms was not so great as anticipated, which gave conservatives no small degree of satisfaction.[1] On the contrary, the tendency to conservative interpretation by the Supreme Court to defeat the will of the people as expressed through their representatives created a strong demand for a limitation of its authority.

The survey of the main lines of development indicates that the growth of liberal forces culminated after 1910 or more definitely after 1912. There is no implication here that this was due to a Democratic administration as such. An analysis of political parties illustrates the wide divergence of opinion within each of the major parties. Each had quite clearly defined conservative and liberal wings. The liberals and conservatives of the two parties were nearer to each other in many respects than were the liberal and conserva-

[1] Williams, Talcott. After Penrose, What? Century (November, 1922), 105: 49-55. Penrose is quoted as saying to a reformer.
"Give me the people every time. Look at me! No legislature would ever have dared to elect me to the Senate, not even at Harrisburg: but the people, the dear people, elected me by a bigger majority than my opponent's total vote,—by over half a million, —you and your reform friends thought direct election by the people would turn men like me out of the Senate. Give me the people every time."

tive wings of either party. Democratic conservatism centered in the Solid South, Republican conservatism in the industrial northeast. Liberalism was not so definitely localized, but was most conspicuous in the West. It is true, nevertheless, that the Democratic party represented more definitely a liberal program than the Republican, as it had inherited those tendencies to a considerable extent from the earlier third party movements, and Bryan had furnished effective, if sometimes erratic, liberal leadership. The fact that the party was in the opposition most of the time also tended to develop its liberal tendencies. The enactment of so much of the liberal program is indicative of the influence of the liberal elements of both parties rather than indicative of a victory for one political party.

An unusually long list of important constructive liberal measures was passed during the first Wilson administration under his influence and direction. Each of these carried one step further the tendency to nationalization of administration. But the liberal program was not completed. The European war, accompanied by unusually complex problems, and an extreme, conservative reaction, cut short the constructive period of liberal achievement.

As was pointed out in the earlier period, the tendency in government activity was to enter the new fields of economic and, to a limited extent, social regulation, and in this period it was the extension of such regulation. The constitution contained economic sec-

tions which became the basis of economic regulation without serious perversion of the letter of the language; but there were no social clauses in the constitution, so what regulation was exercised had to be based upon an indirect application of such political and economic clauses as were open to such interpretation or perversion. The action of the Supreme Court in the child labor cases seems to put the case clearly that the field of social legislation is limited. The action of the court is not to be considered as a challenge of the merits of social legislation as such, but it did call attention to the fact that the constitution does not authorize such national legislation directly and that if such legislation was considered essential, it would be necessary to adopt general amendments to the constitution enlarging its scope to cover a social program. What was true in regard to child labor is also largely true of other fields, and this principle was acted upon in the case of prohibition.

These American developments are not isolated and unique, rather they are manifestations of world tendencies as modified by American variants. The complication of the modern world forced the intervention of government to preserve the equilibrium and to make necessary adjustments. Local management and regulation broke down, and it was gradually found necessary for national control to be substituted or extended. In European unitary states the problem was comparatively simple, and with the exception of the field of regulation for the preservation of public morals, Eu-

ropean legislation began earlier and went further than American. In fact it was to a considerable degree a model for American legislation. A comparison of European government ownership of railroads, telegraph, and telephones, social legislation, control of education and press with corresponding American development reveals clearly the differences. American development on these lines was retarded for several reasons. First, the later development of the industrial system, second, unlimited resources in land, minerals and other raw materials until near the close of the nineteenth century, third, the federal nature of the government which retarded nationalization, fourth, the extreme historical tradition of individualism. It is a useless defiance of the development of historical factors to denounce nationalization and centralization, because it became only after the inadequacies of local and state action made the change necessary. It would be more to the point to bring intelligence to bear upon the problem to mitigate the unquestionable difficulties inherent in the situation. If the tendencies of the past continue in the future at a corresponding rate, centralized control will inevitably be carried further within the national units, and by the time of the World War it was also evident that, as economic organization and social problems do not stop at national political boundaries, international control which was an indispensable supplement to national control, and international machinery which was already a permanent part of world organization, must be more defi-

nitely organized. It is not a question of whether or not there will be national and international centralization, but a question of how far, and how rapidly, and in what form they shall be exercised. The United States was irrevocably a member of the world economic and social system, and consequently of world organization for both civil and political administration.

The crisis of the World War found the Greater America an accomplished fact. Industrialism had given her a preponderance of material wealth, Imperialism had made her a world power to be reckoned with in any portion of the globe, Internationalism had indicated the goal of a new world order, and Liberal Democracy had produced a spokesman who expressed in unmistakable language the aims and ideals not only of America but of the World.

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A comprehensive bibliography is out of place in a book of this kind, but a very limited list of books may serve a useful purpose. First, as a guide to the more accessible standard works. Second, to call attention to books, not usually cited in the conventional textbook, which are of vital importance to the serious student of American history. In this list, so far as practicable, the books are arranged in the order in which the subject appears in the text.

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